FirstBank
Since 1894

CHARTING NEW FRONTIERS

VISION | TRANSFORMATION | GROWTH

First Bank of Nigeria Plc | Annual Report & Accounts December 2009

NIGERIA | LONDON | JOHANNESBURG | PARIS | BEIJING

About FirstBank

Headquartered in Lagos, FirstBank has international presence through its subsidiary FBN Bank (UK) in London, United Kingdom and Paris, France and its offices in Johannesburg, South Africa and Beijing, China. With over 1.3 million shareholders across several countries, FirstBank is quoted on the Nigerian Stock Exchange and has an unlisted Global Depository Receipt (GDR) programme.

The FirstBank Group provides a comprehensive range of retail and corporate solutions and through its subsidiaries contributes to national economic development through capital market operations, insurance brokerage, bureau de change, private equity/venture capital, pension funds management, registrarship, trusteeship, mortgages and microfinance.

Drawing from experience that spans 116 years of dependable service, the Bank has continued to strengthen its relationships with customers, consolidating alliances with key sectors that have been strategic to the well-being and growth of Nigeria.

FirstBank, the country's most diversified financial services group, serves more than 5 million customers through 570 locations in Nigeria.

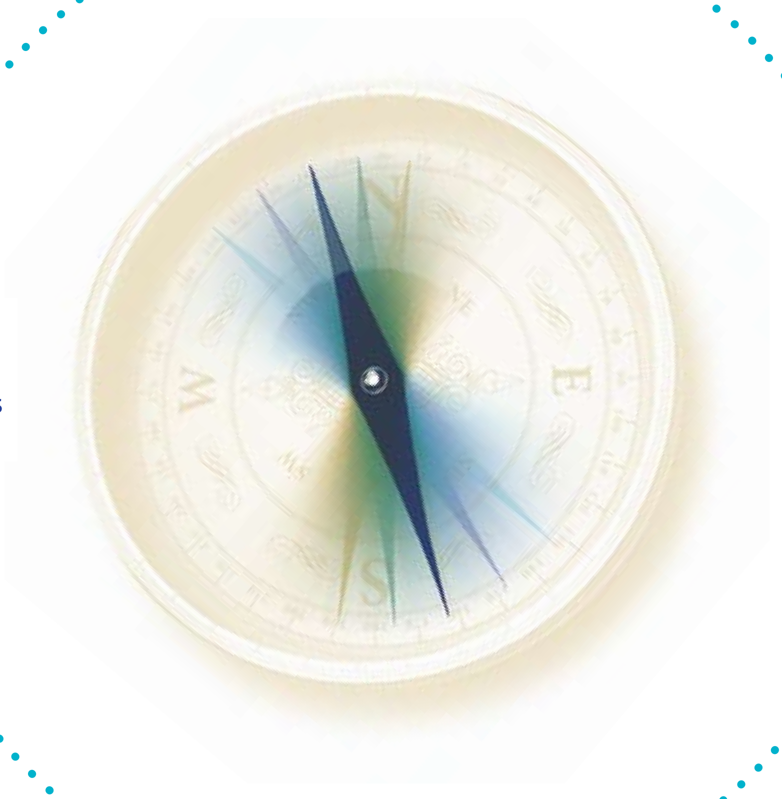
www.firstbanknigeria.com

Our Mission

To remain true to our name by providing the best financial services possible

Our Vision

To be the clear leader and Nigeria's bank of first choice



Our Strategic Priorities

- Growth
- Service
- Operational Excellence
- Performance Management
- Talent

Our Brand Pillars

- Enterprise
- Service Excellence
- Heritage
- Leadership

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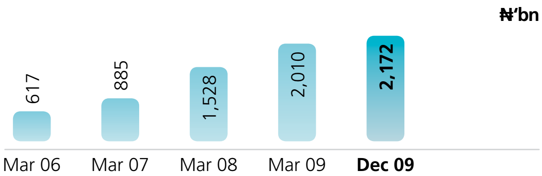
Financial Highlights

for the year ended 31 December 2009

GROUP

TOTAL ASSETS

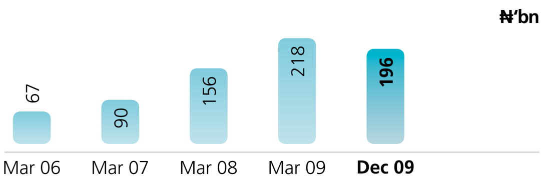


December 2009

₦2,172 billion (USD14,718 million)

March 2009: ₦2,010 billion (USD13,842 million)

GROSS EARNINGS

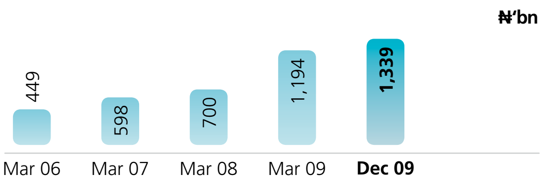


December 2009

₦196 billion (USD1,331 million)

March 2009: ₦218 billion (USD1,503 million)

DEPOSIT LIABILITIES

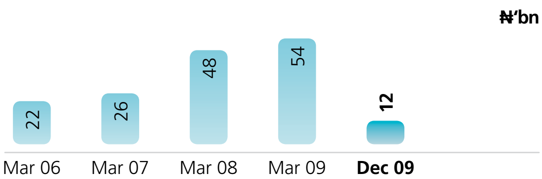


December 2009

₦1,339 billion (USD9,073 million)

March 2009: ₦1,194 billion (USD8,226 million)

PROFIT BEFORE TAXATION



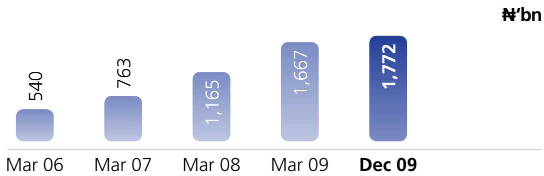
December 2009

₦12 billion (USD78 million)

March 2009: ₦28 billion (USD191 million)

BANK

TOTAL ASSETS

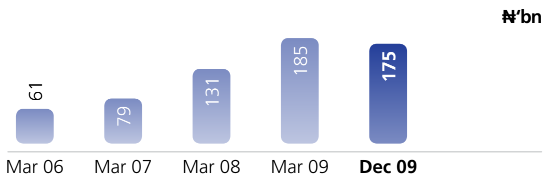


December 2009

₦1,772 billion (USD12,008 million)

March 2009: ₦1,667 billion (USD11,484 million)

GROSS EARNINGS

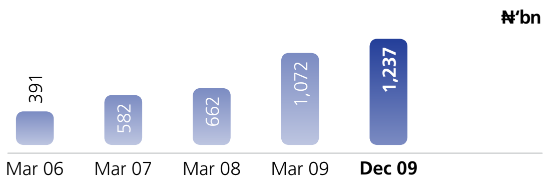


December 2009

₦175 billion (USD1,188 million)

March 2009: ₦185 billion (USD1,275 million)

DEPOSIT LIABILITIES

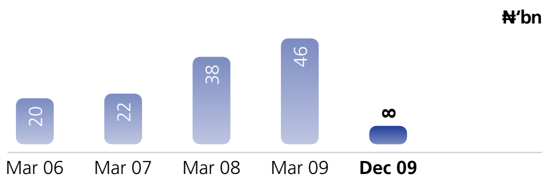


December 2009

₦1,237 billion (USD8,378 million)

March 2009: ₦1,072 billion (USD7,382 million)

PROFIT BEFORE TAXATION



December 2009

₦8 billion (USD52 million)

March 2009: ₦46 billion (USD318 million)

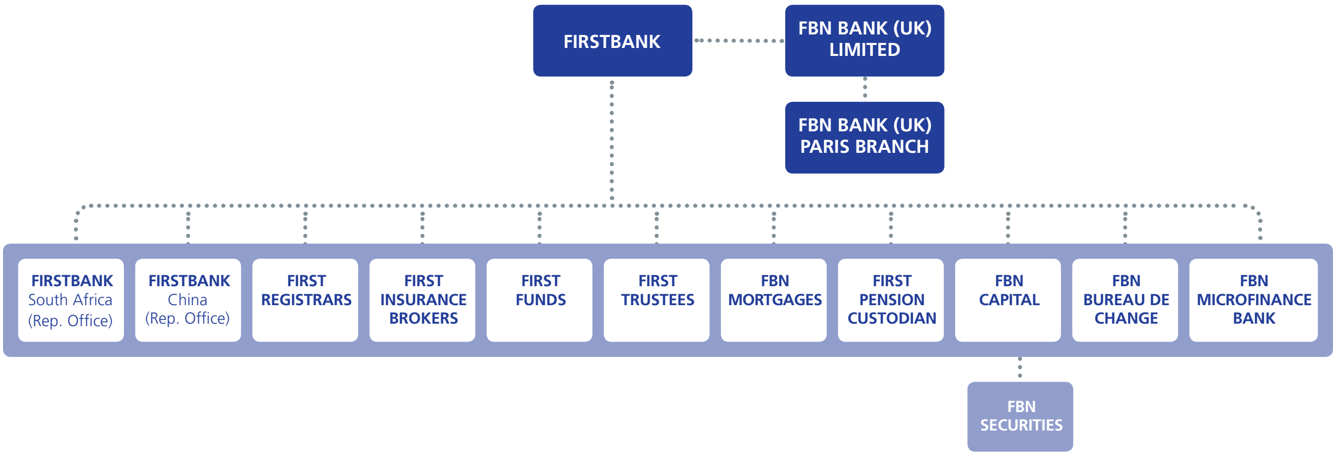
Exchange rate as at March 2009: 1 US Dollar (USD) = 145.2 Nigerian Naira. Exchange rate as at December 2009: 1 US Dollar (USD) = 147.6 Nigerian Naira.

		The Group		The Bank	
	Note	9 months to Dec 2009 ₦'million	12 months to Mar 2009 ₦'million	9 months to Dec 2009 ₦'million	12 months to Mar 2009 ₦'million
Major balance sheet items					
Total assets and contingencies		**3,144,947**	2,706,292	**2,203,770**	1,982,395
Total assets		**2,172,346**	2,009,914	**1,772,454**	1,667,422
Loans and advances		**1,078,452**	740,397	**1,022,486**	684,107
Deposits		**1,339,142**	1,194,455	**1,236,599**	1,071,836
Share capital		**14,504**	12,432	**14,504**	12,432
Shareholders' funds		**309,558**	337,405	**317,487**	351,054
Major profit and loss account items					
Gross earnings		**196,408**	217,630	**175,355**	184,536
Charge for doubtful accounts		**(40,624)**	(19,439)	**(41,462)**	(13,959)
Profit before exceptional item and taxation		**11,585**	53,799	**7,689**	46,110
Exceptional item		**-**	(26113)	**-**	-
Profit after exceptional item before taxation		**11,585**	27,686	**7,689**	46,110
Information technology development levy		**(107)**	(526)	**(76)**	(461)
Taxation		**(8,289)**	(14,591)	**(6,338)**	(10,575)
Profit after taxation		**3,189**	12,569	**1,275**	35,074
Dividend					
Declared		**2,900**	33,565	**2,900**	33,565
Information per 50k ordinary share					
Earnings (basic)		**₦**	**₦**	**₦**	**₦**
Basic		**0.11**	0.51	**0.04**	1.41
Adjusted		**0.11**	0.51	**0.04**	1.41
Net assets		**10.67**	13.57	**10.94**	14.12
Total assets					
– actual		**74.89**	80.84	**61.10**	67.06
– adjusted		**-**	-	**-**	-
Stock Exchange quotation at 31 March		**-**	-	**14.05**	15.80
Ratios		**%**	%	**%**	%
Cost to income		**73.43**	66.35	**71.97**	67.75
Return on assets		**0.53**	2.68	**0.43**	2.77
Return on shareholders' funds		**1.03**	3.73	**0.40**	9.99
Capital adequacy		**15.8**	24.69	**21.33**	30.24
Number of branches/agencies and subsidiaries		**610**	536	**570**	510
Number of staff		**8,757**	8,537	**8,221**	8,203
Number of shares in issue (million)		**29,008**	24,864	**29,008**	24,864

Overview of FirstBank

GROUP STRUCTURE

The FirstBank Group comprises 10 subsidiaries, spanning asset management, investment banking, capital markets, insurance, microfinance, private equity and foreign exchange trading – making it one of the most diversified financial conglomerates on the continent.



HISTORY OF FIRST BANK OF NIGERIA

Founded in 1894, First Bank of Nigeria Plc (FirstBank) is the premier bank in West Africa and the leading financial services solutions provider in Nigeria. The Bank's contribution to the economic growth and development of Nigeria over the last 116 years has been driven by commitment to the provision of excellent banking services.

At inception, the Bank was incorporated as a limited liability company under the name Bank of British West Africa (BBWA), with the head office originally in Liverpool.

In response to a rapidly changing economic and business environment, we have at various times restructured our operations. In 1957 we changed our name from Bank of British West Africa (BBWA) to Bank of West Africa (BWA). In 1966, following our merger with Standard Bank, UK, we adopted the name Standard Bank of West Africa Limited and in 1969 we were incorporated locally as the Standard Bank of Nigeria Limited in line with the Companies Decree of 1968. Changes in our name also occurred in 1979 and 1991 to First Bank of Nigeria Limited and First Bank of Nigeria Plc, respectively.

FirstBank opened its second branch in Nigeria in Calabar in 1900 and, 12 years later, extended its services to Northern Nigeria by opening its Zaria branch. The Kano branch was opened in 1928. Currently with over 570 branches, the FirstBank Group has one of the largest branch networks in Nigeria. In 2002, FirstBank established a wholly owned banking subsidiary in the United Kingdom, FBN Bank (UK) Limited, regulated by the Financial Services Authority (FSA). We thus became the first Nigerian bank to own a fully fledged bank in the UK. In 2007, FBN Bank (UK) set up its Paris office to serve as a marketing base to service francophone West Africa. FirstBank also has a representative office in South Africa and has obtained a licence to open a representative office in China.

PRODUCTS AND SERVICES

As a full-spectrum financial services provider our products/services mix has been designed to cater to the needs of our diverse client base. Increasingly strong on services delivered via various electronic platforms, the primary concern is to improve customer transaction convenience and ease of access to our services, as well as strengthen transaction security.

Share price performance

December 2009
3.8%
March 2009: (58.2%)

Market capitalisation

December 2009
₦407.5 billion
March 2009: ₦336.6 billion

BANK OPERATING MODEL

At First Bank of Nigeria Plc we have structured our market-facing activities along geographic lines. This arrangement recognises the nation's historical endowment and the tendency for buyer responses across the economy to take on discernible geographic traits. As the economy develops further, newer patterns that may allow organisation along functional lines have begun to emerge, but these are still in the embryonic stage.

STRATEGIC BUSINESS UNITS	BUSINESS ACTIVITY	REVENUE BY BUSINESS UNIT	BRANCHES AND STAFF	BUSINESS DEVELOPMENT OFFICES	CONTRIBUTION TO FIRSTBANK: Deposits	Gross earnings	Net interest income
Corporate Office	Treasury activities				3%	9%	28%
Lagos Directorate see page 23	Transportation, Telecoms, Real Estate, Energy, Service		60 1,017	11	21%	25%	57%
North Directorate see page 24	Key industries include Agriculture, General Commerce, Retail Services, Public Sector, Utilities		154 1,857	15	30%	21%	(1%)
South Directorate see page 25	Key industries Oil & Gas, Public Sector, Construction, Trading, Retail		165 2,072	11	29%	29%	10%
West Directorate see page 26	Transportation, Telecoms, Real Estate, Energy, Service, Retail, Public Sector		113 1,688	14	17%	16%	6%

SUPPORTED BY STRATEGIC RESOURCE FUNCTIONS

- **GROUP MANAGING DIRECTOR'S DIRECTORATE**
- **CHIEF FINANCIAL OFFICER'S DIRECTORATE**
- **BANKING OPERATIONS & SERVICES DIRECTORATE**
- **RISK MANAGEMENT DIRECTORATE**

CREDIT RATINGS

	REPORT DATE	NATIONAL Long term	NATIONAL Short term	INTERNATIONAL Long term	INTERNATIONAL Short term	OUTLOOK
Standard & Poor's	March '10	ngA	ngA-1	B+	B	Negative
Fitch	December '09	A+	F1	B+	B	Stable
GCR	November '08	AA	A1+			Positive
Agusto & Co	November '09	A+				Stable

Chairman's Statement

WELCOME

Fellow Shareholders, Invited Guests, Gentlemen of the Press, Distinguished Ladies and Gentlemen, thank you for honouring our invitation to the 41st Annual General Meeting of First Bank of Nigeria Plc.

In the best tradition of our corporate governance culture, I recently assumed the Chairmanship of First Bank of Nigeria Plc, thus signifying another milestone in the Bank's long and distinguished history. This change took place when my predecessor, Alhaji (Dr) Umaru Abdul Mutallab (CON), attained the mandatory retirement age of 70. Please join me in thanking Alhaji Mutallab for his leadership and invaluable contributions to the landmark achievements of the Bank in the last 14 years, the last 10 of which he served as Chairman. During his tenure, he successfully managed the adoption by the Bank of changes to our governance framework that put us at par with some of the best institutions in the world.

This seamless transition at the helm of our Bank speaks to the resilience of our governance model, and the strength of our succession planning process. Significantly, this discipline contrasts with the turmoil that has been the dominant trend in the operating environment in the review period. Over the past nine months, we operated in a local and international environment where 'uncertainty of developments' reigned supreme. As markets responded to the new ambience, operators' traditional focus on market share gave way to defensive strategies which, ultimately, adversely affected the industry's health. To some degree, this concern, which was evident in the regulatory response across jurisdictions, mirrored major dips in investor confidence and market trust.

"...our paramount goal is to ensure that **our institution achieves pre-eminence in each of its businesses,** through a deep commitment to service excellence to our customers..."

Chairman

Fortunately, the unprecedented and massive non-traditional quantitative easing introduced by monetary authorities worldwide in response to the global financial crisis, and also evident in the Central Bank of Nigeria's (CBN) intervention in our local economy, led to an improvement in financial conditions in the review period. In Western economies, particularly, the deceleration in output experienced since August 2008 had reversed marginally by mid-2009, and by the third quarter of the year, signs of economic expansion were noticeable. This contrasted with the efforts of the authorities in China to boost domestic consumption, as a counterweight to falling external demand. By end-December 2009, this appeared to yield dividends as GDP growth in China reached 10%. Globally, the evidence of recovery remained uneven, and worries persisted over its sustainability.

In these circumstances, the domestic economy has proved a lot more resilient than most commentators feared at the beginning of the recession. Stronger than expected demand in countries like China and India combined with weakness in the dollar to lift oil prices above their recent lows. Along with revenue over-performance from oil exports, firmer non-oil sector performance and political gains from the pacification programmes introduced in the Niger Delta region boosted the general outlook for the domestic economy.

Nevertheless, aftershocks from the global crisis took a toll on the financial services industry. While it is fashionable to focus on the CBN's reform efforts, starting with its audit of the banks, the reality is starker. As FirstBank's provisioning mid-year indicated, the industry was only responding to the consequences of its aggressive risk-taking at the height of the Bull Run, which ran aground with the onset of the global crisis. Consequently, the industry's inability to steady itself before the CBN's intervention meant that there were (and still might remain) serious governance issues in a number of financial institutions. Incidentally, these residual issues will have to be addressed expeditiously.

SETTING A ROADMAP FOR THE TIMES

It is against this background that I wish to set out my vision of where FirstBank is headed over the current plan horizon, and my preferred route for reaching this goal.

In my inaugural address to the Board, I described this roadmap to include a definition of our vision in this period of rapid change. Our primary strategic goal must be to ensure that FirstBank achieves a dominant position in every business line that it pursues. Doing so the old-fashioned way demands our traditional commitment to excellence in service to our customers. Incidentally, the changing nature of customer expectations places a premium not just on the quality of our service, but also on the depth of the available service/product mix. Over the next five years, therefore, we should strive for a balance between the services/products that we offer, and the multiple service channels available to our growing customer base. Put simply, FirstBank must remain the bank of First choice for the majority of Nigerians, and indeed Africans, throughout the world.

Our ability to achieve these objectives will depend partly on how well we are able to tailor our services to meet the individual needs of our customers. Essentially, we will need to:

- put people at the heart of our operations, by creating a cadre of staff that is comfortable owning all the Bank's processes from conception to the end;
- equip and develop our people to ensure that, as individuals and collectively, we are truly first among our peers in the industry;
- build a first-class Pan-African financial services institution, by leveraging FirstBank's natural premium respect and first mention privilege in our regional market; and
- focus on our traditional commitment to a strong ethical base. The challenge in this regard is to return to the time-tested basics of conservatism and probity.

Conclusively, there is no doubt that the continued growth and development of this country's economy increasingly depends on its full integration into the global marketplace. While it is widely acknowledged that urgent steps must be taken to institute changes in our infrastructure endowment, both physical and social, we often ignore the equally important need to build national institutions that leverage a robust infrastructure to support our development objectives.

"Our actions must result in a consistent return of **sterling performance in dividends and growth of shareholder value**"

Chairman

In his address to you last year, my predecessor described our medium-term goal as aiming to lead the industry in terms of financial strength, service excellence, desirability as an employer, and contribution to national development. In the last year, we have pursued this goal diligently, constructing all our service intervention initiatives around the three pillars of growth, service and operational excellence, and performance management and people.

Building on this, I recognise that if we must continue to address near-term challenges and seize opportunities to strengthen our platform for the future, then we must transform FirstBank into a first-class Pan-African financial services institution. Considerable work has already gone into realising this goal; hence, the main task is to build on our medium-term strategy to become the dominant financial services provider in our local economy. Invariably, this implies that FirstBank must remain the bank of choice for the majority of Nigerians, and our subsidiaries must become dominant in their respective markets. In the long run, this will also require us to strengthen existing offshore locations (London, Paris, Johannesburg and Beijing), and expand the Bank's global footprint, by following the new trade lines that have emerged as a result of the domestic economy's growing integration with global networks. We must continually attract new investments, partners and customers globally, because of our commitment to delivering competitive returns and growth in shareholder value to our over 1.3 million shareholders, and based on the ease, convenience and value that our more than five million customers derive from doing business with us.

Emphatically, this requires us to:

- reinforce our brand appeal through changes in our processes, people and systems that allow the younger generation of Nigerians to connect with FirstBank;
- ground this brand transition on changes to our service channels that encourage innovation, and the rendering of bespoke services across the value chain of every customer; and
- put our people at the heart of our operations. We will strengthen the quality of our human capital support by creating a work culture which attracts the best talent to all our businesses, and through a reward system that elicits the best from our workforce.

It is fair to say that FirstBank enjoys a natural premium respect and first mention privilege in our market. Consequently, it is important that we remain trailblazers in all that we do, specifically in our governance practices and ethical suite. Our antecedents, especially our well-known commitment to strong ethics, have stood us in good stead throughout the years. Now, more than ever, in the rich history of our Bank, we must not lose sight of this pedigree. This is necessary not just because recent industry developments place an enormous premium on a stronger moral backbone among practitioners, but also because banking is essentially a conservative industry from an historical perspective.

OUR PERFORMANCE

The realities of the operating environment, especially the CBN's rearguard action to stabilise the industry, have had clear adverse impact on the industry's short-term fortunes. This was further exacerbated by the rapid decline in the quantum of credit made available to the private sector.

Consequently, FirstBank's gross earnings on an annualised basis rose by 20.3% from ₦217.6 billion recorded in the year ended March 2009, to ₦196.4 billion in the nine month review period. Because of the significant provisioning which we had to make, added to increased operational expenses, profit before tax in the nine months ended December 2009 declined to ₦11.6 billion from the ₦53.8 billion recorded in the year to end-March 2009.

Thus, in this difficult environment, we missed our profitability targets. Under the twin pressures of the financial and economic crisis, and industry response to concerns raised about capital adequacy by the Central Bank's recent intervention, we saw our loan-to-deposit ratio rise over the review period. Because this is an industry-wide trend, concerns have emerged over the industry's growth and profit prospects, as domestic credit opportunities become scarcer.

More worrisome was our cost-to-income ratio, which rose by 73.4% over the nine-month period from 66.4% in March 2009. Although the current economic environment makes it significantly more difficult to grow the income side of our operations, paradoxically we firmly believe that it is the time to invest in new capacities, if we are to profit from the next upturn in the business cycle. Inescapably, the main task over the next business cycle is to maintain costs within profitable bounds.

At 15.8%, our capital adequacy ratio remained well above statutory requirements of 10%, providing us a much-needed buffer in the current uncertain environment.

We have responded to recent developments in the market by focusing on deepening our market share, while building on existing strengths. While the domestic market was growing during the last boom cycle, this translated into a focused search for organic and inorganic growth opportunities. At the operational level, this has seen us build competences around our customers' value chain, including the use of multi-channel delivery platforms.

> "FirstBank (Nigeria) vision: **To be the clear leader and Nigeria's bank of First choice**"
> **Chairman**

With the onset of the financial downturn, the danger from the adoption of policies that may exacerbate current imbalances has been a real and present one. While we recognise the need for the authorities to respond appropriately to a contraction in the market, through efforts that maintain liquidity at current levels or higher, we are also aware that the prospects of a full recovery may be several years down the road. However, once signs of a recovery begin to emerge, including stronger inflation figures over longer periods, the authorities must negotiate a structured exit of the stimulus package in order to steady the markets.

Accordingly, as FirstBank persistently reinforces its risk management and corporate governance processes, we will continue to invest in capacity that will improve our service delivery in the current atmosphere. We will also ensure that we are in a position to serve a bigger and more discerning market when the economy recovers. Among others, we must continue to drive growth in the domestic market and grow our international footprint, while building our business around growth, operational excellence and people/performance management.

Whether in the design of processes to minimise future challenges, or in the structuring of our processes to take advantage of windows of opportunity as they open, my commitment is to have in place a bank with lean and flexible structures. I envision a nimble FirstBank that is able to leverage opportunities in a fast-changing environment. Thus, we have embarked on a review of our operating model towards aligning processes with the requirements of our new operating environment to enable us to gain a greater share of clients' wallets.

BOARD CHANGES

Appointment

Dr Abdu Abubakar and Alhaji Mahey R Rasheed, OFR were appointed executive director and independent/Non-Executive Director respectively on Tuesday 21 July 2009.

Demise

Alhaji Aliyu Alkali, mni died on 25 September 2009.

Resignation

Mr Sanusi Lamido Sanusi resigned as the Group Managing Director/Chief Executive on Friday 3 July 2009 consequent upon his appointment as Governor, Central Bank of Nigeria.

Retirement by rotation

In accordance with the Company's Articles of Association, the following Directors, Dr Alex C Otti, Mrs Bola Adesola, Mr Kehinde Lawanson, Ms Ibia Ajumogobia and Prince Ajibola Afonja retire by rotation and, being eligible, offer themselves for re-election; while Dr Abdu Abubakar and Alhaji Mahey R Rasheed, OFR, be and are hereby elected Executive Director and Independent Director of the Company.

APPRECIATION

Permit me once again to express the Bank's deepest gratitude to our immediate past Chairman, Alhaji (Dr) Umaru Abdul Mutallab (CON), for his indelible contributions to the Bank's success. Our history and governance imply that the opportunities for any one individual to change the face of the Bank are necessarily limited but, even within this constraint, Alhaji Mutallab's impact was immeasurable.

Furthermore, I would also wish to acknowledge and thank our distinguished shareholders, the Board of Directors, and management and staff for their unstinting support each year.

Finally, while our business environment has changed considerably over the reporting period, there is clear evidence that in our most important initiatives in the past, we did anticipate the general trend of current reform efforts, beyond our constant drive to strengthen our governance practice. Remarkably, we have seen improvements in our business resulting from these anticipatory initiatives and past innovations. On the back of these, we are uniquely positioned to emerge stronger from the current crisis and, due to the sheer strength of our position, we shall continue to implement industry-defining and game-changing strategies, going forward.

Thank you

Yours sincerely

Mr Oba Otudeko, OFR
Chairman

Group Managing Director/ Chief Executive Officer's Review

WELCOME

Distinguished Shareholders, Ladies and Gentlemen, on behalf of the Board of Directors of First Bank of Nigeria Plc, it is my pleasure to welcome you to the 41st Annual General Meeting of our Bank, and to present to you the financial statements for the nine months ended 31 December 2009.

We are meeting at a critical time in the annals of the nation's financial services sector. This reality is obvious from the fact that this general meeting has been convened at the end of a nine-month financial year. Over the last 12 months, the regulatory climate has changed radically, with the Central Bank of Nigeria (CBN) shifting its emphasis to the transparency and reliability of industry financials. Accordingly, during the period under review, the CBN directed all banks and discount houses operating in the country to harmonise their financial year-ends, and indicated end-December 2009 as its preferred date for the commencement of this policy. On the other hand, the after-effects of the global financial and economic crisis would include the redesign of the architecture of the financial services sector worldwide.

Along with the threats that come with these developments at the global level, we see innumerable opportunities in the local regulator's attempts at strengthening the domestic industry. The most immediate of these opportunities include the chance to grow our domestic and international footprints through a variety of relationships with other banks in such a way that the latter benefit from our strong franchise, while we in turn secure access to new markets. We are, to put it simply, in a unique position today, to chart new frontiers in the financial services sector, both nationally and internationally.

HEADWINDS FROM THE GLOBAL FINANCIAL AND ECONOMIC CRISIS REMAINED STRONG

In the review period, we operated in an environment dominated by risks from the global financial and economic crisis. At the global level, output continued to contract in the review period, albeit at a noticeably slower rate than has been the case previously. In the United States of America, Europe, and some parts of Asia, the first signs of recovery became noticeable towards end-December last year. However, because of the uneven nature of much of the emerging data on unemployment (US), quarter-on-quarter increases in GDP figures (US, Europe and China), and stronger than expected response in domestic demand (China), worries remained over the sustainability of this recovery. By year end, it was clear that the main task for policy authorities all over the world in the coming months will be to decide the point at which they may properly exit the financial and monetary easing, which helped, at the height of the crisis, to put a floor on the global economy's downward slide. Second-level challenges will include determining when and whether the subsequent inflationary pressures justify a firming of monetary policy. Either way, it will be crucial that fiscal and monetary authorities across the world continue to coordinate policy responses throughout the crisis.

THE DOMESTIC ECONOMY CAME UNDER PRESSURE FROM THE SECOND ROUND EFFECTS OF THE GLOBAL CRISIS

Domestically, a pickup in global crude oil prices led to an improvement in government's fiscal position and the economy's output growth. A major downside risk to the economy's outlook was removed with the conclusion of an amnesty programme, which drove a reduction in the militancy in the Niger Delta region. Because restiveness in the country's oil-producing heartland had adversely affected the nation's domestic oil-producing capacity, the pacification of the Niger Delta region ought to lead to further improvement in the economy's fiscal outlook. However, capacity limits encountered in the implementation of the budget for fiscal 2009 have raised the spectre of further setbacks in government's performance, especially the ability of the three tiers of government to meet the millennium development goals.

The adverse external and internal economic environments took their toll on the domestic banking industry. The imploding stock market and the subsequent tightening that resulted from the regulatory authorities' attempt to strengthen the market, saw a drop off in aggregate monetary growth, and a rapid build up of bank deposits. In the review period, the CBN took the unprecedented step of conducting a special audit of banks in the country. Eight banks performed relatively poorly on these tests, prompting the central bank to continue its policy of quantitative easing, including the injection of ₦620bn into the eight banks that failed the stress tests.

Not surprisingly, FirstBank was one of the banks to come away from the CBN's audit unscathed. We have always placed considerable premium on our strong ethical practices, the result of more than a century's commitment to doing business on a sustainable basis within the Nigerian economic space. Add to this our commitment to sound corporate governance practices, and robust risk management framework, and it was inevitable that we passed muster.

Significantly, the markets suffered a build up of pessimism in reaction to the apex bank's intervention in the industry. Nonetheless, deposits continued to rise as money market returns outperformed returns from other asset classes in the economy. But as soon as the market for credit came under adverse pressure because of the apex bank's activities, the industry's most pressing challenge became what to do with the increasing liquidity in the system.

Citing limited institutional policy response to the global economic downturn and the consequent sharp fall in the price of oil, the nation's leading export Standard & Poor's, a leading international rating agency, recently downgraded its rating outlook for the country from 'stable' to 'negative'.

FIRSTBANK'S PERFORMANCE

In this environment, our challenge has been how to reconcile the drop in domestic demand for credit with the build up in industry liquidity as a result of the apex bank's intervention to protect a couple of industry operators. The funds glut did result in a dwindling of margins. Consequently, across asset classes in the money market, real yields turned negative, as inflation remained sticky in lower second decile figures.

On the back of all these, in the nine months ended 31 December 2009, gross earnings rose by 28.8% to ₦196.4 billion as against the ₦152.5 billion recorded in the nine month period to December 2008. However, compared to the full year ended 31 March 2009, which had 12 months, there was a slight drop in earnings by 9.9% from ₦217.6 billion to ₦196.4 billion.

With total operating costs (excluding provision for loan losses) declining by 11.4% from ₦87.7 billion for the full year ended 31 March 2009 to ₦78.3 billion for the nine months ended 31 December 2009, the Group recorded profit before tax and provision for losses of ₦52.2 billion. However, there was an unprecedented leap in loan loss expense charged during the period on the back of aggressive provisioning for the Bank's exposure in the capital market and oil and gas segments. Post CBN-audit, the Bank made a total provision of ₦41.5 billion for loan losses as against ₦14 billion charged during the prior year ended 31 March 2009. This impacted profitability resulting in a profit before tax of ₦11.6 billion for the Group for the year ended 31 December 2009. This represents an annualised decline of 71.3% in profit before tax compared to ₦53.8 billion made for the prior year ended 31st March 2009.

While the Bank will continue to consolidate the gains of its various cost control and optimisation initiatives, during the period in review, we made a couple of improvements to our risk management process based on the lessons learnt in the year. A number of these improvement initiatives have been introduced to the Bank's credit process in order to minimise credit losses, going forward. Risk assets growth will be to sectors strategic to the economy, subject to acceptability of the risks. The process of credit portfolio planning, risk identification, measurement, control, monitoring and reporting will be more rigorous and suited to effectively manage prevailing challenges. Competency and skills in analysing and managing specialised assets will be enhanced, while remedial management of assets showing early signs of weakness will be intensified. There will be a collaborative effort between the market-facing and risk management units at ensuring that weak accounts are promptly turned around.

With the acquisition of the SAS Risk Management and Business Analytics Module, the Bank will be in a position to measure the risks in its credit portfolio, develop models to test, stress and validate different business scenarios, and more importantly determine and maintain the appropriate economic capital for the risks in the portfolio.

CHARTING A NEW ROADMAP

Given the balance of risks in the operating environment, the central task before management over the medium-term is to lead the transformation of FirstBank and its related subsidiaries into the leading financial services group in sub-Saharan Africa (ex-South Africa). In pursuit of this goal, we will be building on our strength in the domestic economy, and we will do this largely in response to the relative size of the Nigerian economy within sub-Saharan Africa. Within this context, two things will drive the design of our domestic footprint. First, will be the fact of a relatively young population and the comparatively shallow penetration of financial services within this population; less than 30% of the domestic population have access to formal banking services. Secondly, and this is just as important, recent reforms to the domestic economy have meant its growing integration with global financial markets. Accordingly, along with a rise in demand for more sophisticated banking services from our traditional client base, as we open new markets, we expect to see rapid growth in the demand for non-bank financial services.

Seven years ago, we launched the first wholly-owned Nigerian commercial bank subsidiary in the United Kingdom in response to the needs of our clients for cross-border financial services that followed the trade flows between Nigeria and the UK. Since then, as equally strong trade flows have developed, we have gone ahead of our customers to build supporting service platforms through the setting up of representative offices in South Africa and China. I believe that this decade will see most sub-Saharan African economies consolidate on the strong policy environment, which most of them implemented over the last decade. While the plethora of free trade arrangements across the region would be useful vehicles to push this new level of reforms, it is doubtful that full regional integration can happen without extensive collaboration across the financial services space.

We intend therefore over the plan period, to which my management of FirstBank is committed, to broaden our service imprint on the continent. In the coming months, we shall be creating, through a variety of growth/entry options, a number of local banks in key economies on the continent, which shall, nonetheless, be able to leverage their membership of the FirstBank Group to provide seamless bank and non-bank financial services across political and economic frontiers.

I am aware that the success of what we have termed the 'multilocal' bank model will depend on our services and products consistently adding value to the supply chain of both existing and potential customers. Consequently, the main success factor for this model requires that going forward, we must be number one in each business line that we set up. It will be important in this respect that we are able to deploy resources as appropriate across the Group in support of our diverse business lines.

As part of the process of attaining this goal, we commenced a transformation drive in the last two years that has seen us invest extensively in the institutional capacity required to meet our ambitious growth targets. Our growth goals are very clear. And it is equally clear that we will need impeccable service levels to fulfil these aspirations. We have also invested in innovative performance management systems that will ensure that the processes through which our people realise their dreams feed through directly into the processes designed to meet our diverse stakeholder universe at its different points of need.

BANK/INDUSTRY OUTLOOK

FirstBank remains a very strong brand, strategically placed to be a dominant player in the industry. Having survived what is arguably one of the most difficult periods in the history of the nation's banking industry, there is the need for a re-positioning going forward. We have defined the outlines of the Bank's outlook to include the need to:

- build a much more efficient financial services supermarket;
- scale up our processes to take advantage of new opportunities as they emerge; and
- become the institution of choice for top talent in the industry.

In the next 12 months, we shall embark on policies that will lead to sustained growth through:

- leveraging our extensive domestic franchise to create improved risk assets;
- sourcing for low-cost deposit that can improve our net interest margins;
- income augmentation measures including write-backs on the back of aggressive recovery efforts;
- aggressive re-pricing of assets and liabilities to improve net interest margins; and
- a centralised processing infrastructure that will effectively improve operational efficiency;

Over the next plan cycle, as we pursue these objectives, we will face a considerable degree of uncertainty from planned changes in the regulatory framework. The main threats from this include proposed changes to the Basel accord's capital adequacy ratio. Although details are still being worked out, the Basel committee's reform package currently includes provisions for banks to hold countercyclical capital buffers. Ideally, these should encourage the build-up of appropriate buffers at individual banks and in the industry, which can be deployed in periods of stress. As proposed, the planned reforms will employ countercyclical capital buffers whose value and composition will depend on one or more credit variables to ring fence the financial services sector from periods of excess credit growth. We believe that in the near-term, this will act as an additional restraint on the financial services industry's ability to create new credits.

Similarly, over the next 12 months, we expect lending conditions to tighten, as we review our respective risk acceptance criteria to reflect the lessons learnt from the current crisis. Although we expect credit demand to remain subdued over the review horizon, it is important that the Central Bank continues to promote bank restructuring to increase the industry's resilience to future shocks. That said, we expect a rapid transition to transactions in short tenured assets, as our response to the fall in interest revenue. The interbank market will remain a further downside risk. As indicated elsewhere in this report, rates in our immediate market have moderated remarkably, further limiting revenue possibilities. Elevated deposit rates could mean that over the next year, we see a restructuring of deposits away from purchased funds towards retail deposits. But until this restructuring is complete, the bigger concern would be the negative effect of all these on net interest margins.

On the upside, we see strong opportunities, in the current combination of events in the industry, for us to restructure our treasury activities. Borrowed term deposits represent a major downside risk to our outlook, as their acquisition costs constitute one of the biggest sources of pressure on current levels of profitability. If our commitment to deliver sustainable value to shareholders over the long term is to have any meaning in the current circumstance, then these unprofitable positions would have to be wound down. In other words, we have taken a conscious decision to strengthen our profit position at the expense of a drastic reduction in our balance sheet size. However, higher competition levels mean that the chance to raise contributions from the other income line would be increasingly difficult. Ultimately, a lot will depend on the extent and full effects of recoveries.

Thank you

Yours sincerely

Stephen Olabisi Onasanya
Group Managing Director/
Chief Executive Officer

Board of Directors

Otudeko, Oba Ayoola, OFR
Chairman

BGC

Dr Otudeko is a Fellow of the Chartered Institute of Bankers, UK; Fellow of the Institute of Chartered and Corporate Accountants, UK; Fellow of the Institute of Chartered Accountants, Nigeria and Fellow of the Institute of Chartered Secretaries and Administrators of Nigeria. A seasoned banker and administrator, he served in various Bankers' Committees. He is also a respected board member of many successful companies. Dr Otudeko is the Chairman of Honeywell Group Limited, FBN Bank (UK) Limited, First Trustees Nigeria Limited, Fan Milk of Nigeria Plc, and the Nigeria-South Africa Chamber of Commerce. He was the founding Chairman of Econet Wireless Nigeria Limited and remains a Director of Zain Nigeria Limited, the successor company. Furthermore, he is a Director of Ecobank Transnational Incorporated (ETI), Khalil & Dibbo (Haulage) Limited, and Lagos Sheraton Hotel. He was formerly a director of the Central Bank of Nigeria, Guinness Nigeria Plc, British American Tobacco Company Limited, and Franco-Nigeria Chamber of Commerce and was President of The Nigerian Stock Exchange. He is Chancellor, Ogun State University, Ago-Iwoye, Nigeria.

Onasanya, Stephen Olabisi
Group Managing Director/Chief Executive Officer

BCC BEC BGC BTC ECC ECG

Mr Onasanya has over 23 years' post-qualification experience and until his appointment as Group Managing Director/Chief Executive Officer, was Executive Director, Banking Operations and Services. He joined FirstBank in 1994 as a Senior Manager and was previously Deputy General Manager/Group Head, Finance & Performance Management Department, Coordinator, Century 2 Enterprise Transformation Project, as well as founding MD/CEO of First Pension Custodian Nigeria Limited, a subsidiary of FirstBank.

A qualified Chartered Accountant since 1983, Mr Onasanya is a Fellow of the Institute of Chartered Accountants of Nigeria, an Associate Member of the Nigerian Institute of Taxation, and honorary member of the Chartered Institute of Bankers of Nigeria. He is also the Chairman of Kakawa Discount House Limited and a Director of FBN Bank (UK) Limited.

AC Audit Committee

BAC Board Audit & Risk Assessment Committee

BCC Board Credit Committee

BEC Board Establishment, Disciplinary & Promotions Committee

BGC Board Governance Committee

BTC Board Tenders Committee

ECC Executive Committee (Credit)

ECG Executive Committee (General)

Abubakar, Abdu
Executive Director, Operations & Services

BAC BCC BEC BTC ECC ECG

Dr Abdu Abubakar holds a BSc (Hons) in Quantity Surveying (first-class honours) and an MSc in Construction Management from Ahmadu Bello University, Zaria, as well as a PhD in Construction Economics & Management from Loughborough University of Technology, United Kingdom. He has 27 years' experience in industry, teaching, research, project management and administration in both the private and public sectors, covering varying aspects of construction business and practice.

He was, until his appointment to the Board, Deputy General Manager/Head of the General Services Division of the Bank, where he turned around the Bank's infrastructure base, fundamentally reformed the procurement process of the Bank in line with international best practices, and spearheaded the development and implementation of a technology-driven approach to Corporate Assets Management, in addition to being responsible for Bank-wide support services.

Adesola, Bola
Executive Director, Lagos

BCC BTC ECC ECG

Mrs Adesola holds a law degree from the University of Buckingham, UK. She was called to the Nigerian bar in 1985 and has attended numerous executive development courses in Nigeria and overseas. She is also an alumni of the Harvard Business School, having completed the Advanced Management Programme.

She spent nine years at Citibank Nigeria (NIB) and was part of the start-up team for Citibank Tanzania, where she served for two years as pioneer Treasurer. Before her current appointment she was Executive Director, Corporate Banking. A seasoned banker, Adesola was MD/CEO of Kakawa Discount House Limited. She is also a Director of FBN Capital Limited, First Trustees Limited and Seawolf Limited.

Lawanson, Kehinde
Executive Director, West

BCC BEC ECC ECG

Mr Lawanson holds a BSc in Estate Management from the University of Nigeria, Nsukka and an MBA in Finance from the University of Lagos. A chartered surveyor, Lawanson's experience spans over 19 years in banking, with executive management positions in investment and commercial banking in several banks. He was formerly Executive Director, Lagos & West.

Lawanson, a consummate professional, has attended various training programmes in top-rated business schools and prior to joining the Board of FirstBank, was Deputy General Manager/Group Head, National Corporates in the then Corporate Banking Directorate. He is a Director of First Registrars Nigeria Limited and FBN Capital Limited.

Ngama, Yerima Lawan
Executive Director, North

BAC BCC ECC ECG

Dr Ngama obtained his BSc in Accountancy from the University of Maiduguri. He attended the University of Glasgow, UK for his MSc in Accountancy, and the University of Birmingham, UK for Master of Social Science and then a PhD in Money, Banking and Finance. There, he produced the best PhD thesis in the Faculty of Commerce and Social Sciences, which earned him the coveted Ashley Prize.

Dr Ngama has served the federal government on many banking reform committees. He was Executive Director, Public Sector at Diamond Bank Plc before joining FirstBank. He is a Director of FBN Mortgages Limited, First Funds Limited and FBN Microfinance Bank Limited.

Odunlami, Remi A
Chief Risk Officer

BAC BCC BTC ECC ECG

Mrs Odunlami holds a BSc in Mathematics from the University of Warwick, Coventry, England (1982) and is a Fellow of the Chartered Association of Certified Accountants (1995).

She was, until her appointment, Executive Director and Country Risk Manager at Citibank Nigeria Limited with responsibility for the Bank's risk portfolio and process. She had worked extensively in consulting and banking, and was the first Sub-Sahara African female and first Nigerian appointed to the level of Senior Credit Officer within Citigroup. She is a Director of FBN Capital Limited and Seawolf Limited.

Otti, Alex C
Executive Director, South

BAC BCC ECC ECG

Dr Otti graduated from the University of Port Harcourt with a first-class honours degree in Economics in 1988. He was the best graduating student in the faculty of Social Sciences and won the Dean's Prize, as well as the overall best graduating student for the year and the University valedictorian. He subsequently received an MBA from the University of Lagos in 1994.

Dr Otti sits on the board of several companies and establishments as follows: Director, Celtel Nigeria Limited (Zain); Director, First Pension Custodian Nig Limited; Director, Rainbow Town Development Limited; Member, Governing Council of the University of Port Harcourt; Member, Board of Trustees, Babcock University; Chairman, Economics & Statistics Committee of the Lagos Chamber of Commerce & Industry; Member, Board of Trustees, Chike Okoli Foundation. He is also a recipient of the prestigious Ugwu Aro Award of Arochukwu Kingdom.

Oyelola, Oladele
Chief Financial Officer

AC BCC ECC ECG

Mr Oyelola holds a BSc Accounting and an MSc specialising in Finance. He is an alumnus of several world-class executive education business schools. Until his appointment as FirstBank's CFO, he was the Executive Director, North.

Oyelola had worked with Arthur Andersen before moving into banking, first with International Merchant Bank (IMB) and Diamond Bank Plc and subsequently with FirstBank. He is a Fellow of the Institute of Chartered Accountants of Nigeria, a member of the Chartered Institute of Taxation and an honorary member of the Chartered Institute of Bankers of Nigeria. He is also the Chairman of FBN Microfinance Bank Limited, a Director of FBN Mortgages Limited, First Pension Custodian Nigeria Limited and FBN Bureau de Change Limited.

Afonja, Prince Ajibola A
Non-Executive Director

BCC BEC

Prince Ajibola Afonja is a Fellow of the Chartered and Certified Accountants (FCCA). He worked in various capacities such as Audit Trainee with Akintola Williams & Co (Jan–Aug 1966) and with John Mowlem & Co Limited, the fifth largest Construction Group in Europe (1971–74). He was Director/ General Manager, International Glass Fibre Industries Limited, Ibadan (1974–79), and Chairman/CEO, Integrated Dimensional System Limited, Oyo.

Prince Afonja's federal government appointments include: Secretary of Labour & Productivity, Interim National Govt (Aug–Nov 1993) and member, Judicial Commission of Inquiry on Nitel & Mtel.

Ajumogobia, Ibiai
Non-Executive Director

BEC

Ms Ibiai Ajumogobia is a Human Resources Management and Training Consultant with over 18 years of core HR experience. With a background in Law and Interior Design, she began her career in the Rivers State Ministry of Justice. She also worked with the Federal Ministry of Justice, Shell Petroleum Development Company of Nigeria Limited and Citibank Nigeria.

In 2004, she incorporated The Daisy Management Centre Limited, Lagos (a human capital development firm). Ms Ajumogobia recently joined the Team-Building Network in the UK, certified to use the Margerison-McCann Team Management Profile. She is also a Member of the Chartered Institute of Personnel Development (CIPD) and recently completed the Management Development Accreditation Programme with the Centre for Management Development (CMD) in Lagos.

Duba, Garba, Lt-Gen (rtd),
Non-Executive Director

AC BGC BTC

Lt-Gen Duba joined the Nigerian Army in 1962 and held various strategic positions including Aide-de-Camp (ADC) to Military Governor, Northern Region; Military Governor, Sokoto State (1986) and Commandant, Nigerian Defence Academy (1992).

He is a farmer, businessman and one time Chairman, New Nigeria Development Company (NNDC) Limited.

Hassan-Odukale, Oyekanmi, MFR
Non-Executive Director

AC BAC BCC

Mr Hassan-Odukale attended the University of Houston, Texas, USA and holds both bachelor's and master's degrees in Business Administration (Finance).

He is a board member of various companies including Prestige Assurance Plc, Adswitch Plc and Globe Reinsurance Company Limited. He is the Managing Director, Leadway Assurance Company Limited.

Mahmoud, Alhaji Abdullahi S
Non-Executive Director

AC BCC BEC

Alhaji Mahmoud is a banking and management enthusiast with almost 25 years of considerable experience in both domestic and international banking. He holds professional banking and accountancy qualifications, and has held various positions in different banks, insurance firms and reputable companies in the country. He was General Manager, United Bank for Africa Plc and Managing Director, African International Bank Limited.

Mahey, Alhaji Rafindadi Rasheed, OFR
Independent Director

BAC BCC

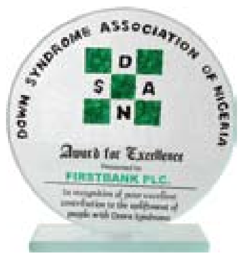
Alhaji Mahey Rasheed attended Ahmadu Bello University, Zaria and Harvard University, USA where he obtained a BSc Economics and MPA Public Policy respectively, and is Edward Mason Fellow, Harvard University.

He started his career at New Nigeria Development Company, Kaduna and was Principal Investment Executive before joining the Central Bank of Nigeria, where he started as Assistant Director and retired as a Deputy Governor.

Alhaji Rasheed has held several Federal Government appointments and is at present Chairman, Legacy Pension Managers Limited and Premium Securities Limited respectively, as well as Director, Global Bio Fuels Limited. He was conferred with the national honour of Officer of the Federal Republic (OFR) by the Federal Government of Nigeria in 2004.

Awards

Crystal of Excellence, Commerce & Industry Association of Nigeria (CICAN)



Award for Excellence, Down Syndrome Association of Nigeria

Best Bank in Nigeria, emeafinance

Best E -Payment Risk Team Award 2009, InterSwitch Techno Interactive

Responsibility & Dependability, Management Review Limited (MRL Award 2009)

2009 Financial Institution Award, Petroleum Technology Association of Nigeria (PETAN)

Platinum Sponsor Award, Students In Free Enterprise (SIFE)

Teens' Favourite Bank 2009, Teens Resource Centre

Diamond Award, Youth & Gender Network

Best Domestic Bank in Nigeria 2009, Global Finance

Best Foreign Exchange Bank in Nigeria 2009, Global Finance

Best Trade Finance Bank in Nigeria 2009, Global Finance

BUSINESS REVIEW

REPOSITIONING FOR GROWTH

BUSINESS REVIEW

We seek to attain full benefits of scale and scope by accelerating growth and diversification of assets, revenue and profit.

www.firstbanknigeria.com/annualreport/dec2009/

Operational Review

At First Bank of Nigeria Plc we have structured our market-facing activities along geographic lines. This arrangement recognises the nation's historical endowment and the tendency for buyer responses across the economy to take on discernible geographic traits. These business units are then supported by the strategic resource functions.

STRATEGIC BUSINESS UNITS

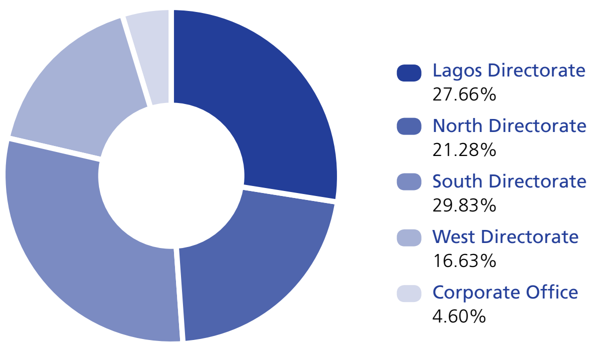
The four directorates Lagos, North, South and West are each headed by an executive director, ensuring speedier and effective response in the various locations and guaranteeing alignment of practice and service standards across the diverse frontiers of our operations.

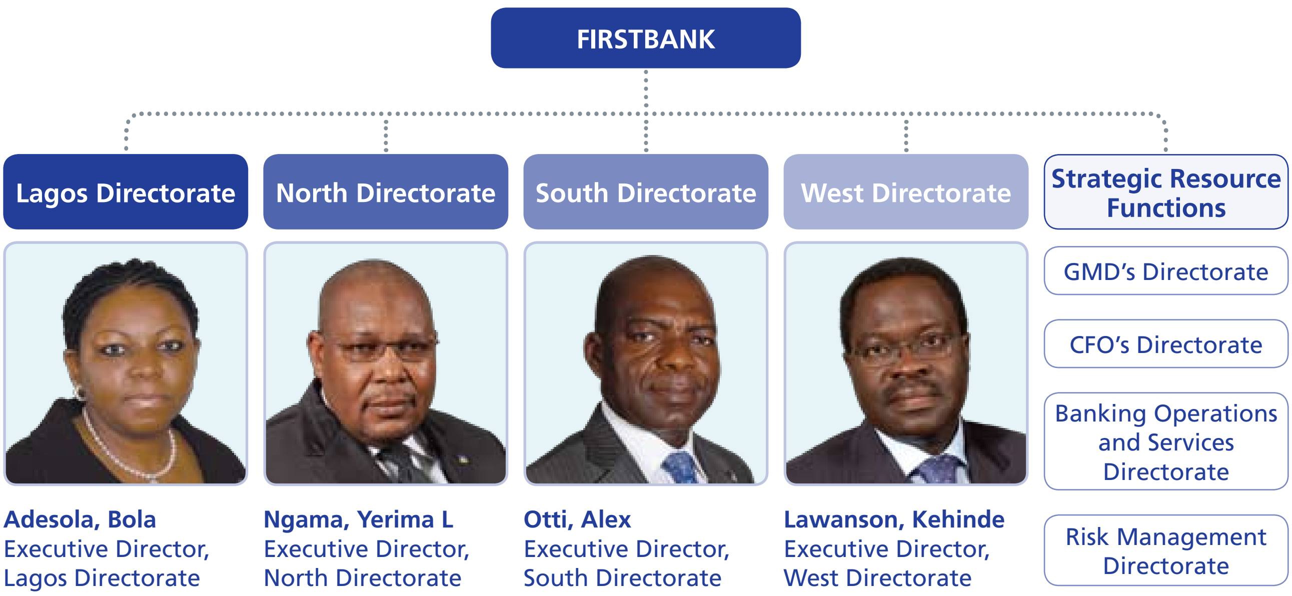
As the economy develops further, newer patterns that may allow organisation along functional lines have begun to emerge, but these are still inchoate.

STRATEGIC RESOURCE FUNCTIONS

FirstBank's strategic resource functions (SRF) comprise the offices of the Group Managing Director, Chief Risk Officer, Chief Financial Officer and the Operations Directorate. Basically back-office responsibilities, these directorates ensure that the Bank has at all times the resources needed to meet customer demand, including planning for anticipated changes in the volume and quality of future demand. To aid this process, we have strengthened our information technology endowment to ensure that we are able to make the most of the feedback loop between our front-office and back-office functions so that front-office resources can continue to handle incoming demand on an ongoing basis, while the back office seamlessly executes the services related to the flow of demand.

TOTAL NET REVENUE PER DIRECTORATE





Operational Review
Lagos Directorate

Overview

Mrs Bola Adesola is the Executive Director in charge of Lagos Directorate.

The Directorate consists of 60 branches.

The branches are grouped into 11 Business Development Offices (BDO).

The BDOs are headed by Business Development Managers (BDMs). In the directorates, branch managers provide all banking services at the various branches under each BDO.

Through the branches, the Directorate offers a comprehensive range of wholesale/corporate banking products/services to large corporate customers; retail banking products/services to small-sized businesses; consumer banking products/services to individual customers; a mix of products/services specifically geared to government ministries, departments and agencies.

Geographical coverage

Area covered by Lagos Directorate
Lagos Island/Central, Ikoyi, Victoria Island, Lekki to Epe, Surulere, Yaba, Apapa, Orile-Iganmu, Amuwo-Odofin, Festac, Satellite Town up to Seme border, but excluding Agbara.

Located in the southwest of the country, on the Atlantic coast in the Gulf of Guinea, west of the Niger River delta, Lagos is one of the fastest-growing mega cities in the world. The nation's economic nerve centre, it accounts for over 60% of total industrial investment and foreign trade in the country, and for over 65% of the nation's commercial activities. The Directorate covers businesses in the entire Lagos Island/Central, Ikoyi, Victoria Island, and Lekki up to Epe. The coverage area also extends to some parts of Lagos Mainland (Surulere, Yaba, Apapa, Orile-Iganmu, Amuwo-Odofin, Festac, Satellite Town up to Seme border, but excluding Agbara).

Key economic sectors

The key economic activities in Lagos include telecommunication, aviation, shipping and ports, oil and gas (downstream), real estate, commerce and industry, power, transportation, banking and financial services, power and tourism.

- The **telecommunications sector** in Nigeria is one of the fastest-growing in the world, with major emerging market operators (like MTN, Etisalat, Zain, Globacom, Starcomms, Multilink and Vodafone) headquartered in Lagos. The telecommunications industry is the second largest in the country after the oil and gas industry, in terms of revenue generation.
- The **commercial and industrial** sector is boosted by the presence in the state of the headquarters of multinational conglomerates like Chevron, Shell, Mobil, UAC, Unilever, John Holts, Churchgate, Chagoury, Atrib, Honeywell, Dangote and Flour Mills.
- **Sea port/marine.** The port of Lagos is the principal port and economic centre of the country. Lagos also doubles as the main hub for the export of goods to land-locked neighbouring countries. About 60% of imports into west and central Africa is through Nigeria's eight major ports, four of which are located in Lagos: Apapa, Tin-can, Roro and Container Terminal.
- **The Nigerian financial services industry** is predominantly Lagos-based. All the 24 commercial banks operating in the country have their head offices in Lagos. Of the 71 insurance companies registered in Nigeria, 68% have their head offices in Lagos, while virtually all the others have major branch offices in Lagos. Lagos also houses the nation's premier stock exchange, the Nigeria Stock Exchange.

Operational Review
North Directorate

Overview

Dr Yerima L Ngama is the Executive Director in charge of this Directorate.

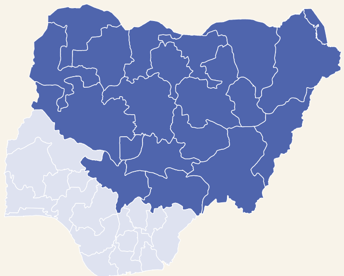
The Directorate consists of 154 branches.

The branches are grouped into 15 Business Development Offices (BDOs).

The BDOs are headed by Business Development Managers (BDMs), responsible for the coordination as well as initiation of activities that will enhance the Bank's business interest in their areas of coverage.

Branches are strategically located throughout the greater part of the north. The 154 branches in the Directorate render various banking services to the wholesale and large corporates (Abuja, Kaduna and Kano), public sector (Federal, Ministry Department's Agencies, States and Local Governments), retail and consumer banking (especially civil servants). All the 15 BDOs' operations cover the public sector while 14 cover retail. Only four cover corporate banking.

Geographical coverage



Area covered by North Directorate
Abuja, Adamawa, Bauchi, Benue, Borno, Gombe, Jigawa, Kaduna, Kano, Katsina, Kebbi, Kogi, Nassarawa, Niger, Plateau, Sokoto, Taraba, Yobe and Zamfara.

Located to the north of the country, the North Directorate is bordered to the west by Benin Republic, to the north by Chad and Niger Republics and the Republic of Cameroons to the east. With a land mass of around 782,480km^2 and a population of about 72 million (2006 estimates), the Directorate covers 18 of the 19 northern states, including Abuja, Adamawa, Bauchi, Benue, Borno, Gombe, Jigawa, Kaduna, Kano, Katsina, Kebbi, Kogi, Nassarawa, Niger, Plateau, Sokoto, Taraba, Yobe and Zamfara.

Key economic sectors

- **Agriculture** (crop production and livestock), mining, general commerce, transportation and road haulage are the dominant economic activities in this region. Agricultural activities in the north revolve around extensive small-scale, diversified and organic farming.
- **Mining and solid mineral extraction** are key economic activities in the region with states like Plateau and Nassarawa in the forefront. Kogi state is home to iron ore and coal at Itakpe and Okaba. Large deposits of limestone, tin ore, iron ore, kaolin, gold and granite exist across the region.
- **Manufacturing** industries in the north are relatively limited vis-à-vis those in the South. The formerly thriving textile industry is comatose, few cement factories continue to thrive, while the nation's iron and steel complex and iron ore mining are moribund. A lot more activity takes place in the food and agro-allied and processing sector. Successful activity in this sector includes cotton ginneries, seed processing, rice milling, fruit juice manufacturing, oil milling, bottling of spring water, biscuit and confectioneries and household goods.

Operational Review
South Directorate

Overview

Dr Alex Otti is the Executive Director responsible for this Directorate.

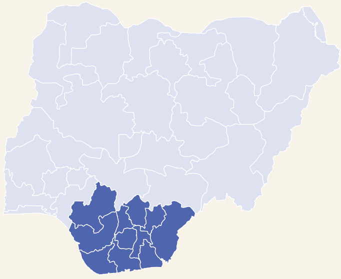
The Directorate consists of 165 branches.

The branches are grouped into 11 Business Development Offices (BDOs).

Branch locations in the Directorate are strongly correlated with the dispersal of our business interests with the objective of dominating the market and providing overwhelming leadership in every segment we choose to play in.

The South Directorate has supported its various states by leveraging the strength of the FirstBank brand, its balance sheet size and structure in various public private partnership (PPP) initiatives. We have significantly grown our public sector business in the Directorate to a dominant one with thriving relationships in Abia, Akwa Ibom, Bayelsa, Cross Rivers, Delta, Edo, Enugu, and Rivers states. We also provide full banking services to the major corporate and retail customers in the region.

Geographical coverage



Area covered by South Directorate
Abia, Anambra, Akwa Ibom, Bayelsa, Cross Rivers, Delta, Ebonyi, Edo, Enugu, Imo and Rivers states.

The South Directorate is bordered to the south by the Gulf of Guinea, and to the east by the Republic of Cameroon. The Directorate covers the 11 South-South and South-East states made up of Abia, Anambra, Akwa Ibom, Bayelsa, Cross Rivers, Delta, Ebonyi, Edo, Enugu, Imo and Rivers states.

Key economic sectors

Oil and Gas: Apart from our leadership at the corporate end of the oil and gas market spectrum, we recognised that indigenous players in the industry remain a very high growth area and through the Nigerian content policy, one of national interest. The oil and gas contract finance (OGCF) programme developed by the Bank remains one the most creative structures available in the industry to support indigenous contractors, thus seizing the significant opportunities for business in that segment of the industry.

Public sector: Most of the states covered in the South Directorate are oil rich states especially in the Niger Delta region. These states are typically the biggest spenders as they struggle to develop weak infrastructure given additional revenue from oil receipts. Through contracts, the public sector drives construction activities, is a huge employer of labour, a strong facilitator of consumption and therefore production. We have provided services to this economic sector leaning on a combination of our network of relationships and intelligently crafted product programs for advance payments guarantees, electronic payment together with various very successful consumer banking products to achieve our market objective of dominance.

Trading: This is a major economic activity, especially in the South-East region, thus, it is not uncommon to see pockets of light and small manufacturing concerns arising from backward integration. The Directorate is focused on trade transactions to create a healthy mix with its portfolio of project finance deals.

Operational Review
West Directorate

Overview

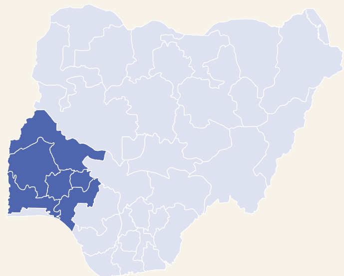
Mr Kehinde Lawanson is the Executive Director responsible for the West Directorate.

The Directorate consists of 113 branches.

The branches are grouped into 14 Business Development Offices (BDOs).

The Directorate is positioning itself to be the bank of First choice in its coverage area by providing the best financial services possible. The branches into which the BDOs are divided provide banking services to customers in the wholesale banking/corporate banking, consumer banking, and public sector business areas. Our presence in the public sector business is concerted and focused as evidenced by the presence of the Directorate in the business of various states. We maintain robust and mutually beneficial relationships with states and local governments in the region.

Geographical coverage



Area covered by West Directorate
Ekiti, Kwara, Ogun, Ondo, Osun, Oyo, and in Lagos State, Isolo, Ikeja, Maryland, Agege and Ikorodu.

The Directorate is situated within a geographic space noted for its high number of urbanised settlements, including Ibadan, the Oyo state capital, and one of the largest cities in sub-Saharan Africa. To the east of the Directorate, Akure and Ondo are noted for the production of cash crops, especially cocoa. To the south, Abeokuta and Ijebu Ode in Ogun state, and in Lagos state, Ikeja, and northern Lagos.

Key economic sectors

Generally, the predominant economic activities in the Directorate are in the administrative, extractive, manufacturing, additive, agriculture, merchandising and services sectors. This explains the very high density of companies located in the area, ranging from small and medium sized (SMEs) to conglomerates and transnational corporations, requiring partnership with financial institutions like FirstBank for a bouquet of services and products.

Wholesale banking/corporate banking

Wholesale banking/corporate banking business is a major driver of the Directorate's business. We serve a wide range of companies by providing tailored solutions to support our clients' growth aspirations. The Directorate maintains dedicated wholesale banking desks in some designated branches within its coverage space, and these are managed by experienced and highly skilled professionals who ensure that efficient and first-class services are rendered to these highly diversified clients.

Selected Products and Services

As a full spectrum financial services provider our products/services mix has been designed to cater to the needs of our diverse client base. Increasingly strong on services delivered via various electronic platforms, FirstBank's primary concern is to improve customer transaction convenience, ease of access to our services, and strengthen transaction security.

These three principles inform the organisation of our products/services offering around four back-office product engines responsible for new product development and the deployment of these products bank-wide.

E-BUSINESS PRODUCTS

- **First Mobile**, a mobile phone-based platform for the delivery of banking services.
- **FirstBank Online**, which enables customer transactions via the web.
- **First Alert** provides notifications, by either SMS or email, to customers of transactions on their accounts.
- **ATMs** – our ATMs accept VISA cards, MasterCards and Verve cards, and allow a broad range of financial transactions outside the bustle of the traditional banking halls.
- **POS terminals** deployed to business locations enable electronic card holders to pay/settle their bills for services and purchases.
- **Debit card (FIRSTCARD)** allows customers to pay for goods and services through POSs, ATMs and the web.
- **MasterCards/VISA cards** are internationally accepted credit cards useful for global settlement of bills and payments for goods and services.
- **Combo cards** combine the functionality of debit cards with that of identity and access control cards.

PAYMENT AND COLLECTION PRODUCTS

- **FirstPAY**, an internet-based solution that allows customers to make payments to third parties from the comfort of their homes/offices.
- **FirstCollect** is a robust and customisable e-collection platform that allows big businesses to receive sales revenue or payment for their goods and services through FirstBank branches nationwide.
- **Utility bills and tax payments** enable the Bank to accept subscription payments through its branches nationwide, as well as through its ATMs and via the web for service providers such as Etisalat, Mytv, Hitv, IPNX, MTN and DAARSAT, Multichoice, Zain, PHCN, NITEL, and water rates for the Federal Capital Territory, Lagos, Ogun, Cross River and Enugu states.
- **First EduPortal**, a robust web-based enterprise portal that enables educational institutions to manage academic, administrative, professional, logistics and payment challenges, while providing robust features that include online admissions processing/status checking, session registration, result checking, transcripts request, online school fees payments via the web or through FirstBank branches nationwide.

CONSUMER BANKING PRODUCTS

- **HiFi Young Saver Account**, a savings account for minors between ages 0 and 18 years. This product seeks to inculcate in the young a savings culture, while providing parents/guardians with an opportunity to set funds aside for the educational needs of their children or wards.
- **First Savings Plus Account**, a hybrid account combining savings account features with chequeing account services, targeted at both individual and business concerns, self-employed professionals, traders and high net worth individuals.
- **Firstcurrent Plus Account** is a zero COT charge account, specially designed to meet the needs of high net worth individuals, upwardly mobile professionals, sole proprietorships, partnerships, public and private limited-liability companies and NGOs, who would rather not pay COT.
- **Firstdom Plus Account** allows depositors with a minimum opening/operating balance of USD5,000.00 to enjoy interest credit as high as 6% per annum on fixed deposits.
- **Personal home loans** are designed to part-finance the acquisition or construction of residential homes for individuals with a steady and verifiable income flow.
- **Personal loan against salary** – designed to meet the customer's urgent financial needs, this product requires no collateral as it is lent against salary domiciliation.
- **Auto loans** are designed to part-finance the acquisition of automobiles by both individuals and small and medium scale enterprises with verifiable sources of income.
- **Asset acquisition** part-finances the acquisition of assets ranging from household to office equipment and machinery.
- **LPOs/Receivables/Contract supply financing** is a short-term finance facility available for executing contracts with short asset conversion cycles.

WESTERN UNION MONEY TRANSFER

In 1996, FirstBank and Western Union International partnered to help remove constraints in the path of members of the Nigerian diaspora remitting funds home.

The Western Union operations run on a hub and spoke model with the product engine at the head office servicing the over 400 branches that currently pay out dollars throughout the country. The product engine provides marketing and operational support while also spearheading market intelligence and new business initiatives to ensure that the Bank remains at the cutting edge of new developments in the industry.

Strategy

FirstBank believes that setting aspirational, yet attainable goals and pursuing these in a disciplined manner according to a robust, practical strategy will be central to its continued success as one of Africa's largest and fastest-growing financial institutions.

OUR APPROACH

The Group and Bank underwent detailed strategy reviews in 2009 and the following section discusses the outcomes of these – both in terms of **renewed aspirations** for the FirstBank Group and Bank (used here to refer to the Nigerian banking operations), the fundamental means by which FirstBank proposes to attain these goals, and **strategy**. 'FirstBank' is used interchangeably below to refer to the Group or Bank depending upon the context.

To support the Group's strategic objectives and ensure that the Bank's performance can be monitored, management utilises a number of financial and non-financial key performance indicators (KPIs). Further details of these can be found on pages 41 to 45*.

The diagram below summarises our renewed Group and Bank aspirations, strategy and by which KPIs they are supported. 'FirstBank' is used interchangeably in this Strategy section to refer to the Group or Bank depending upon the context.

Supporting our customers

Rewinding line in Midland Rolling Mills Limited Abeokuta, financed by FirstBank for the manufacture of cold rolled steel sheets.

Aspirations

GROUP ASPIRATIONS

The FirstBank Group aspires to become the dominant financial services group throughout Sub-Saharan Africa*. The Group faces this challenge from a position of strength, having established itself over a 116-year history as the largest bank in Nigeria and, presently, as the largest private sector banking group in Sub-Saharan Africa (ex-South Africa). The Group intends to consolidate its dominant position in banking in Nigeria, while pursuing profitable growth in the non-bank financial services sector and in commercial banking (and selectively in investment banking) internationally. Nigeria accounts for nearly a quarter of GDP in Sub-Saharan Africa and a third of banking assets. Hence, as the Nigerian market leader with a healthy balance sheet and significant capital adequacy and free capital, FirstBank is optimally poised to lead the creation of a strong regional diversified financial services group.

At a time when regulators are questioning the scope of operations of banks outside their core banking business, FirstBank believes that African economies should exploit the natural synergies that exist among financial services businesses (commercial banking, investment banking, insurance etc.). Furthermore, we believe that these developing countries should holistically, and proactively, harness the full range of financing options (e.g., conventional lending, structured finance, equity and debt capital markets etc.) that are available for economic development. We remain supportive of regulatory reforms that promote good corporate governance practices and proper industry conduct. Accordingly, within the proper regulatory framework, we encourage African financial services institutions that engage in multiple lines of business to do so in a manner that benefits all stakeholders, without creating undue systemic risk or moral hazard that might require strong government/taxpayer intervention.

In his inaugural message to the Board, the FirstBank Chairman Mr Oba Otudeko, OFR outlined a bold new vision for the FirstBank Group, challenging the Group to aspire to become **Africa's number one financial services supermarket**. Key elements of the new Group vision can be summarised as follows:

1. **Be the undisputed leader in every business** in which we choose to participate
2. **Grow our franchise both within and outside our borders** to become the bank of First choice to all, including the next generation of Nigerians, and the broader Sub-Saharan African market
3. **Provide unparalleled and innovative service** to customers and put them at the centre of our business
4. **Develop the FirstBank Group into a hub for the best talent** and 'owners' (entrepreneurial managers) across the industry
5. **Remain a bastion of ethical leadership** and good corporate governance
6. **Deliver superior shareholder returns** underpinned by solid near-term financial performance and strong long-term growth prospects.

The FirstBank mission is "**to be true to our name by offering the best financial services possible**". FirstBank aims to live up to its name and give renewed meaning to its brand, beyond the conventional associations with being both the oldest and the largest bank in Nigeria. The Group aspires to be known for its leadership and superior value proposition to shareholders, customers, employees, regulators, and the public at large – in essence, it will be acknowledged as the first choice and the best financial institution by all stakeholders.

Supporting our customers

A 6 Hi Mill View of Motor Bay in Midland Rolling Mills Limited Abeokuta, financed by FirstBank for the manufacture of cold rolled steel sheets.

* For purposes here and onwards, Sub-Saharan Africa refers to a sub-region sometimes called 'Middle Africa' – the area between North Africa and South Africa (i.e., excludes South Africa).

Redefining what it means to be 'First'...

From: → **To:**

First = 'The Oldest, Largest'	
1894	**FirstBank was founded** as Bank of British West Africa (BBWA)
1957	BBWA rebranded Bank of West Africa (BWA)
1966	BWA becomes Standard Bank of West Africa post-merger then Standard Bank of Nigeria ('69)
1979	Standard Bank of Nigeria becomes **First Bank** of Nigeria
2009	FirstBank is the **largest bank in Nigeria** and in several non-bank financial services spaces

First = 'The Oldest, The Best'		
Shareholders	No 1	in total returns to shareholders
Customers	No 1	in service levels and value to customers
Employees	No 1	in desirability to work for
Regulators	No 1	in compliance and good governance
The public	No 1	in positive impact on society

BANK ASPIRATIONS

FirstBank of Nigeria engaged in a strategic planning exercise in 2008 in which three-year aspirations were set for 2011, with the overarching objective of enabling the Bank to achieve its vision of becoming in every manner '**the clear leader and Nigeria's bank of First choice**'.

Our targets can be broadly broken down into (i) Scale *(assets)* (ii) Profitability/capital efficiency *(ROA, ROE, cost-to-income)* (iii) Asset quality *(NPLs)* and (iv) Service level metrics.

i) **Scale:** With respect to scale, the Bank continues to grow at a healthy pace organically and, as at YE2009, the bank had an estimated 13% market share of assets. The Bank views inorganic growth as a viable and appropriate growth route, where a suitable combination and terms can be found. We continue to explore various options. While recent regulatory statements imply that certain limits may be placed upon the relative size of banks, we believe that FirstBank should aspire towards a 20% market share domestically.

ii) **Profitability/capital efficiency:** FirstBank continues to strive towards its profitability and capital efficiency targets. Having already achieved its (pre-exceptional provisioning) ROA goal, the Bank has resolutely set its sights on new ROE and cost/income targets. With a marginally depressed ROE post-equity offer in 2007, FirstBank is judiciously working towards boosting ROE by improving its leverage (with a strong emphasis on low-cost current and savings deposit mobilisation) and enhancing its share of fee and commission income. While cost-cutting initiatives are ongoing, FirstBank envisages that major cost-to-income ratio improvements will come from the income side of the equation – by improving its share of fee/commission income, optimising its liquidity position (i.e., strongly incentivising growth in the loan book versus liquid assets in the near-time), and increasing its yield on earning assets.

iii) **Asset quality:** In line with the industry, FirstBank experienced an increase in its non-performing loan ratio due to the general slowdown in economic growth and direct or indirect exposure to sectors affected by the 2008–2009 decline in oil prices and the domestic equity markets. The Bank made aggressive provisions and write-downs in 2009 in line with prudential guidelines and expects that the overall asset portfolio quality will improve shortly, all else being equal. As the Bank extends its franchise further in the middle-market corporate (commercial) and consumer lending space, risk management systems and processes will be strengthened to optimise portfolio quality and to ensure that margins reflect and adequately compensate for risk.

iv) **Service levels:** A major emphasis, and perhaps the greatest priority of the Bank, will be improving service delivery. The Bank is yet to break into the top quartile of Nigerian banks with respect to service levels, based on independent industry surveys, but has instituted major initiatives to address this lapse. Long reputed for very high transaction volumes (driven in part by its very large mass-market franchise), FirstBank will increasingly strive to improve overall service delivery quality. Furthermore, the Bank will institute incentives to aggressively move routine transactions to alternative channels and simultaneously ensure that premium customers (e.g., corporates, high net-worth customers) receive first-class service. Further elaboration on the Bank's service delivery model can be found in the section below.

Group strategy

CONTEXT

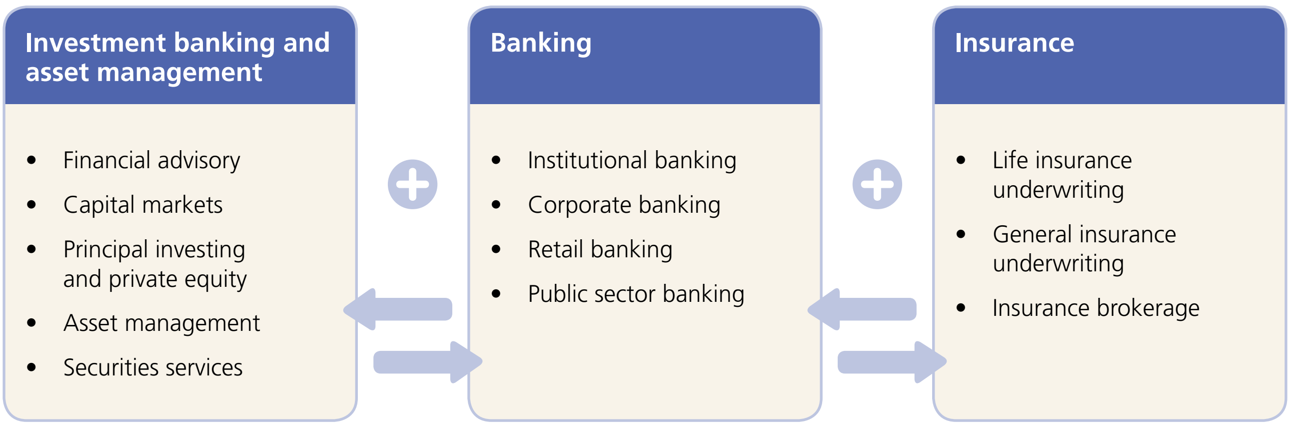
At the Group level, FirstBank has undergone a detailed strategic planning process to redefine overall aspirations and realign strategy with long-term goals.

As an outcome of this exercise, the following key decisions were made:

1) **Business line expansion:** Refocus the Group and build critical mass in strong growth businesses while continuing to focus on strong profitable growth and expansion of the core banking franchise.
2) **International expansion:** Expand internationally into a few priority SSA markets while continuing modest expansion in the deployment of international representative offices to major strategic finance/trade hubs.
3) **Restructuring for growth:** Restructure the FirstBank Group such that the Group's operating structure optimally enables its strategy, while ensuring that the right level of management oversight and governance for each unit exists.
4) **Sequencing growth systematically:** Sequence growth objectives in an intelligent, structured manner over the planning horizon, to ensure that the right priority is given to the right initiatives at the right time.

These four points are further elaborated upon on pages 32 to 35.

BUSINESS LINE EXPANSION



The Bank, which contributes over 85% of Group income, continues to be the core business of the Group and the major focus of Group efforts and resources. In the future, there will be a renewed emphasis on investment banking/ asset management and insurance. Moreover, efforts will be intensified to leverage the very strong natural synergies and cross-selling opportunities that exist between banking and other financial services sectors.

Investment banking and asset management:

Despite the 2008 downturn in the Nigerian capital markets and lingering aftershocks in 2009, FirstBank remains optimistic regarding the prospects for investment banking and asset management. As a developing country, critical sectors of the Nigerian economy will require significant funding for the foreseeable future. The infrastructure sector is a glaring example, where structured finance capabilities and access to local/international debt and equity markets will be crucial. For instance, it is estimated that the power sector alone requires at least $50bn over the next decade, to enable Nigeria attain its Vision 2020 economic growth projections. The Group believes that domestic equity capital markets will experience a recovery by 2011 with retail investors increasingly opting for managed fund products (e.g., mutual funds), while debt capital markets will continue to open up in the corporate and public sector space.

The Bank's strong corporate banking franchise and captive customer base, coupled with several subsidiaries operating in this broad segment (e.g., FBN Capital, FirstFunds, First Trustees, FBN Securities), provide the Bank with a strong platform from which to grow its market share in the sector. In the medium term, the Group will invest significantly in developing a leading domestic investment bank and one that will be increasingly competitive beyond Nigeria's borders.

Insurance:

FirstBank presently runs an insurance brokerage business in Nigeria but not an underwriting business. In 2009, significant efforts were made to analyse and understand the insurance sector and, subsequently, FirstBank reaffirmed an earlier strategic decision to invest significantly in this space.

Several factors influenced this decision, including:

1. **Sizeable industry with strong growth potential** (i.e., one of the larger non-bank financial services sectors, despite very low penetration and low premium density per capita in Nigeria relative to comparable African/ other emerging markets. Incidentally, projected industry growth rates are in excess of 30%).

2. **Attractive operating metrics in the sector** (i.e., strong underwriting profit margins, large additional potential from investment profits, and attractive industry return on equity).

3. **Extremely fragmented sector** (i.e., 50 industry players, with the vast majority commanding less than 2% market share and lacking any distinguishing technical capabilities, distribution infrastructure, or brand equity).

   FirstBank has considered various models of entry into the insurance sector (including offering bancassurance products for third-party insurance underwriters) and has held exploratory discussions with a number of insurers. The decision was ultimately taken to participate directly as an underwriter (selling both via the Bank, the internal brokerage business, and via third-party brokers) but in a joint venture with a strong technical partner.

   Consequently, the Group has entered into an agreement with Sanlam – South Africa's number one general insurance and number two life insurance company, with operations in seven African countries – to run a joint life and general insurance underwriting business in Nigeria. We envisage that the business will be launched in 2010. As a step forward, a life assurance underwriting licence was obtained in February 2010.

4. **Compelling strategic rationale for participation by FirstBank** (i.e., profitable and lucrative long-term outlet for excess capital and instant 500+ branch distribution network to supplement brokerage channels. In addition, the Bank's field sales force can cross-sell and leverage FirstBank's strong brand and associations with 'stability', 'trustworthiness' within the insurance space, including the ability to immediately bundle banking and insurance products – e.g., car loan with collision/theft/liability insurance and credit insurance).

INTERNATIONAL EXPANSION

Outside of Africa, FirstBank has been a pioneer in international expansion, establishing a UK branch in the 1980s and subsequently a fully fledged FSA-regulated bank in the UK (FBN Bank UK Limited) which is now the largest subsidiary of any Nigerian bank in the UK, with over GBP 1 billion on its balance sheet, and a branch in France. FBN Bank UK focuses on corporate banking and wealth management for high net-worth African clientele while also offering correspondent banking services to other African banks via its London and Paris locations. FirstBank also operates a representative office in South Africa (Johannesburg) and was similarly a pioneer in China – launching a Beijing office, which was the first China Banking Regulatory Commission-licensed representative office of any Nigerian bank. FirstBank has applied, and is expecting approval, for a representative office licence in the United Arab Emirates. Representative offices play an integral role in facilitating trade finance and international investment and financing transactions, and FirstBank has chosen to team up with Nigeria's largest bilateral trading partners and to 'follow our customers' to locations that are strategic to Nigerian and African trade and investment flows.

To date, FirstBank has been relatively conservative and circumspect on the African continent, opting to focus on strengthening its dominant domestic Nigerian position. Having consolidated its position as the Nigerian market leader and with a significant amount of free capital on its balance sheet, FirstBank now intends to consciously expand its banking franchise into selective African markets in the coming years.

Several basic principles govern FirstBank's geographic expansion strategy:

1. **International expansion is generally desirable** – smoothes earnings, enables future growth options (resulting in potential share price premium), allows the Bank to take advantage of international arbitrage opportunities, where they exist, and to better capitalise upon its existing capabilities and assets.

2. **International expansion is a long-term mission** – and will require near-term capital outlays for longer-term benefits.

3. **Not all countries are created equal** – wealth is disproportionately concentrated in a few nations with little correlation to their geographic size; for many smaller nations, economically, the marginal income is better spent domestically; several non-wealth factors are also crucial.

4. **Expansion must be underpinned by a solid business case** – economics and not ego must drive international expansion and, where acquisitions are made, they must be undertaken at a reasonable valuation such that all actions create shareholder value.

It is appropriate to emphasise that while FirstBank intends to expand internationally within SSA, **international expansion will not be the focus for 2010**.

RESTRUCTURING FOR GROWTH

Proposed FirstBank Group operating structure

FIRSTBANK

CORPORATE CENTRE: CORPORATE CENTRE | SHARED SERVICES

Group Management Committee

BUSINESS GROUPS	FIRSTBANK OF NIGERIA	FBN BANK INTERNATIONAL	INVESTMENT BANKING & ASSET MANAGEMENT	INSURANCE	EMERGING VENTURES
STRATEGIC BUSINESS UNITS	• Institutional banking **(Large corporates)** • Corporate banking **(Mid corporates)** • Retail banking – Consumer – Small business – Local government • Public sector (North, South) – Federal government – State government	• FBN Bank UK (London) • FBN Bank (Paris) • Beijing* • Johannesburg* • UAE **(in process)***	• Financial advisory • Capital markets • Asset management • Principal investment and private equity • Securities services • Global custodianship • Research	• **Life insurance underwriting** • **Non-life insurance underwriting** • **Insurance brokerage**	• **House standalone subsidiaries** • **Incubation and development of new businesses**
PRESENT SUBSIDIARIES	• FirstBank of Nigeria • FBN Bureau de Change (BdC[1])	• FBN Bank UK	• FBN Capital • First Trustees • First Funds • FBN Securities	• FBN Insurance Brokers	• First Pension Custodian • First Registrars • FBN Mortgages • FBN Micofinance Bank

* International rep offices to report into the FirstBank Institutional Banking Group.

1 Reports to Retail Banking.

In line with its renewed emphasis on investment banking/ asset management, insurance, and international expansion, the FirstBank Group proposes to consolidate its subsidiaries within five 'business groups', as illustrated above (FirstBank of Nigeria, FBN Bank International, Investment Banking & Asset Management, Insurance, and Emerging Ventures). A robust plan for the new Group operating structure will be characterised by:

i) A re-defined Group Management Committee that will provide oversight and coordination across the Group.

ii) A corporate centre featuring some key functions that have portfolio oversight/responsibility across the Group (e.g., Finance, Risk, Strategy etc.).

iii) Measured rollout of a Group shared services platform, where a processing/cost efficiency or skill specialisation case can be made for consolidation of similar business processes (e.g., facilities management, procurement etc.).

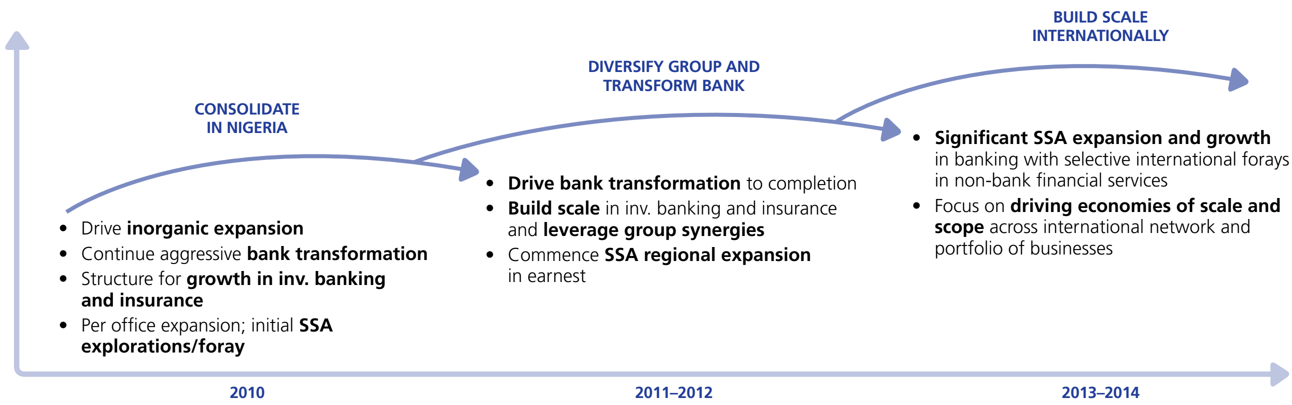
iv) Grouping of subsidiaries and lines of business within five broad 'business groups' (FirstBank of Nigeria, FBN Bank International, Investment Banking & Asset Management, Insurance, and Emerging Ventures).

v) Reconstitution of Boards and committees where necessary to optimally align governance and management roles and committees with the proposed operating structure.

The Group is also exploring the possibility of limited redesign of its legal structure (including transitioning to a bank holding company structure), to facilitate operating objectives while ensuring optimal legal/regulatory compliance and tax efficiency. This is being explored with leading legal and tax advisers, and in consultation with regulators, to ensure strict compliance and adherence to current and future policies.

SEQUENCING GROWTH SYSTEMATICALLY

FirstBank Group – Priorities by growth horizon



Fundamental to the success of any growth strategy is the ability to make **tradeoffs** and prioritise the right set of initiatives at the right time. The Group has defined three growth 'horizons' over which it intends to broadly sequence growth priorities, as illustrated in the above diagram. Given the initial growth trajectory of new businesses and the degree of uncertainty in African markets, prudence dictates that the Group should plan over a maximum of a five-year timeframe.

Horizon 1: Consolidate in Nigeria (2010)

In 2010, the focus will be to consolidate and leverage the Bank's strengths and present advantages, to firmly entrench its position as the undisputed market leader in Nigeria. In addition to continued accent on organic growth, the Bank will explore opportunities for local market mergers or acquisitions, where strong business and shareholder value justification exists. The Bank will also aggressively drive its change agenda with a strong emphasis on the ongoing operations transformation. At both the Group and Bank level FirstBank will restructure internally for growth, organising around Business Groups at the Group level and around market segments at the Bank level (discussed further below).

Horizon 2: Diversify Group and transform Bank (2011–2012)

Having established a strong platform in 2010, the Bank will fast-track its transformation in 2011 and 2012, with a view to achieving leadership across a range of operational, financial, customer and other metrics. During this period, the Group will also focus on scaling up its investment banking/asset management and nascent insurance businesses, while also commencing SSA international expansion in earnest.

Horizon 3: Build scale internationally (2013–2014)

More attention will be paid in 2013–2014 to building scale in international subsidiary banks. Substantively, the Group envisions a strong emphasis on driving increased cross-selling and synergy capture across the international and multi-business line network, including the potential for Group shared services functions that service international locations. Continued strong growth is anticipated in the investment banking/asset management and insurance sectors, towards these subsidiaries attaining market leadership domestically. More specifically, we expect the investment banking/asset management franchise to become internationally competitive with operations in a few select financial centres for distribution (e.g., London, Johannesburg), to complement the SSA locations where most deal origination will occur.

Supporting our customers

The New Larfarge Kiln System in the Ewekoro Cement Factory expansion in Ogun State financed by FirstBank. The new Kiln System would have a capacity of 5,000 metric tonnes per day.

Bank Strategy

BACKGROUND

FirstBank aspires to be the **'clear leader and Nigeria's bank of First choice'** and has embarked upon a focused transformation programme designed to achieve this objective. In 2009, a review of the existing Bank strategy was conducted, including top-down and bottom-up reviews of strategic initiatives, key financial diagnostic analyses, and an analysis of the evolving industry landscape. As a result, certain adjustments were made. Key elements of the Bank's revised strategy are summarised below:

STRATEGIC THEMES AND PRIORITIES

BE THE CLEAR LEADER AND NIGERIA'S BANK OF FIRST CHOICE

1 Growth

Attain full benefits of scale and scope by accelerating growth and diversification of assets, revenue and profit.

2 Service excellence

Drive unparalleled service levels by developing world-class institutional processes, systems and capabilities.

3 Performance management

Deliver unmatched results by creating a performance culture with clear individual accountability at all levels.

4 Talent

Become a hub for the best industry talent; cultivate a highly motivated, capable and entrepreneurial workforce.

FirstBank has defined four broad strategic themes, which we believe are overarching and pivotal to its success, and around which transformation initiatives are being implemented. The themes are discussed below, as well as priority initiatives (both ongoing and planned) that fall under each theme.

1 Growth

FirstBank believes that scale and efficiency are fundamental to success in banking. While the former does not guarantee the latter, there are strong cost-savings and potential revenue benefits (e.g., improved customer acquisition as size/stability is a key buying factor for retail customers, greater and higher-quality deal flow in corporate and investment banking etc.) directly attributable to scale. Outside of the South African banks and a few in North Africa (Morocco, Egypt etc.), we perceive that most African banks remain subscale relative to their economic environments and national development objectives. Tellingly, scale with efficiency can be achieved in a disciplined manner through a combination of organic and inorganic growth (with inorganic growth applied only where terms and conditions make sense for shareholders).

At FirstBank, we seek growth in **assets** that flows through to increased **revenue** and **profit** growth, and which ultimately grows **shareholder value**. Key present and future growth initiatives for FirstBank include, among others:

Institutional/Corporate banking:

- Redefine business unit commercial strategy (optimised product portfolio, channel strategy and marketing communications approach linked to deep customer insights)
- Drive deeper risk asset penetration in the middle market corporate segment, underpinned by enhanced credit analysis and processing capabilities
- Deepen share of wallet of large corporates to enhance fee/commission income
- Deepen capabilities in structured finance space to enhance participation in infrastructure financing.

Retail banking:

- Redefine business unit commercial strategy (optimised product portfolio, channel strategy and marketing communications approach linked to deep customer insights)
- Increase penetration and profits from consumer credit by redesigning credit processes and tools (e.g., statistical models and credit scoring algorithms)
- Develop a differentiated sales and service model for high net-worth and affluent customers, and aggressively pursue this segment.

Public sector banking:

- Redefine business unit commercial strategy (optimised product portfolio, channel strategy and marketing communications approach linked to deep customer insights)
- Aggressively pursue key accounts not presently within portfolio.

General growth initiatives:

- Significantly but conservatively scale up risk asset deployment and optimise treasury portfolio to increase yield on earning assets
- Engage in enterprise transformation to reposition the FirstBank brand and, over time, drive enhanced customer consideration, acquisition, and cross-sell/up-sell

- Optimise branch network via more targeted new branch openings, deployment of lighter/small format branches focused on sales (versus servicing).

Inorganic growth:

- Continue to explore the Nigerian landscape for merger or acquisition opportunities, to extend the franchise in a manner that benefits shareholders
- Explore international M&A (and organic) entry options.

Branch network and expansion

Employing the latest advances in global positioning system mapping, it was possible, in the review period, to superimpose macroeconomic data (including aggregate output of each state) on the industry's branch network. Read against the Bank's existing business locations, it is ultimately intended to build a 'city attractiveness' index that will drive business location deployment going forward.

On this basis, we pursued a policy during the nine months to end-December 2009 of deliberately staggering our branch development to take full advantage of the deployment of the city attractiveness index. Accordingly, 47 branches were opened in the year, bringing the total number of branches on our network to 570.

2 Service excellence

Overlaying growth must be a relentless effort to transform the enterprise – reducing costs, lowering processing times and mitigating risks, while increasing service quality to deliver greater value to customers and shareholders. FirstBank has engaged in a number of 'service excellence'-related initiatives that seek to modernise the Bank's fundamental operating model (processes, tools/systems, and roles/capabilities). Unreservedly, the Bank's service ethos is underpinned by a culture transformation that puts the customer at the centre of all that we do.

Key initiatives to drive this objective include:

- **End-to-end process redesign** (centralised processing and branch process re-engineering) focused on priority processes with the objective of standardisation, simplification and efficiency
- **Branch transformation** that updates the FirstBank branch format
- **TouchPoint reengineering** for all electronic/other customer touchpoints, including the Bank's interactive website (recently redesigned), e-statements and customer communications, etc.
- **Channel optimisation and migration** to optimise channel functionality while aggressively driving migration of transactions to the most appropriate channels
- **Several key information technology transformation initiatives** to enable strategic business objectives flow from a three-year IT transformation plan with detailed steps designed to stabilise and improve core elements of the Bank's IT infrastructure, and enhance the IT organisation/capabilities.

3 Performance management

Beginning in late 2008, FirstBank began the deployment of a new Performance Management System designed to galvanise the organisation and create a performance culture in the Bank and to align individual, team and business objectives. This comprehensive system has been installed for each market-facing Directorate of the Bank. It features clearly defined KPIs (with weightings), targets, a performance monitoring system, and monthly and quarterly performance reviews with commensurate rewards. A dedicated Business Performance Monitoring (BPM) unit within the Finance function coordinates all performance management, as well as budgeting, activities.

Defined objectives within performance management include:

- **Realign performance management system** (KPIs, targets etc.) with the Bank's proposed operating structure; customising to align with BU objectives
- **Extend balanced scorecard usage** to back-office/ support functions
- **Expand portfolio of metrics** to track critical improvement areas for the future.

4 Talent

Fundamental to FirstBank's success as the 'bank of First choice' will be its ability to attract, develop and retain a cadre of the best-performing industry talent available in the regions in which FirstBank operates. The Bank seeks to deploy mechanisms that would continually elevate and equip the best performers and attract new pockets of specialised expertise, where required. Several initiatives are underway on the people/talent management front. Some of these include:

- **Staff productivity** improvement initiatives and well-being programmes, particularly for the field organisation and critical back-office support functions have been put in place to ensure higher productivity of staff
- **Staff capability building** initiatives have been instituted to build and up-skill the competencies of the market-facing/front office and back-office workforce via formal in-house training (e.g. FirstAcademy), external training, on-the-job learning and an e-learning/self-development campaign to reinforce the talent development drive
- **Culture change initiatives** to drive entrepreneurship, leadership and desired change/culture that would transform performance and service culture attitudes
- **Improved individual performance management** systems in conjunction with BPM to ensure the alignment of individual KPIs/target to job functions and corporate strategy

- **Improving FirstBank's employee value proposition** by projecting FirstBank as a premium employer brand through participation in relevant job/career fairs and campus campaigns
- **Career management initiatives** to drive career development at all levels and sustain organisational performance (management development programmes, student mentoring, coaching, cross posting, secondment).

ALIGNING STRUCTURE WITH STRATEGY

In 2009, FirstBank embarked upon a major initiative to redesign the operating structure of the Bank, with an emphasis on market-facing business units. A critical objective was to improve segment specialisation organisationally from top to bottom, in line with international best practices and the demands of the rapidly evolving local marketplace. A new structure for the Bank has been proposed with implementation to commence in 2010. The fundamental difference will be the migration from ***geography*** as the primary organising axis to ***market segment*** (with geography as a secondary axis – e.g., several regional managers will now oversee area managers and branches within the retail distribution structure). The new structure will refocus the Bank's commercial activities along five dedicated Strategic Business Units linked to nine discrete customer segments, as illustrated in the accompanying diagram.

The five Strategic Business Units (SBUs) are as follows: Institutional Banking, Corporate Banking, Retail Banking, Public Sector North and Public Sector South. The **Institutional Banking** business unit will serve the largest private sector companies. It will be organised along industry lines and located close to major client clusters. The **Corporate Banking** business unit will serve the next largest segment of private sector business clients, and will be organised along geographic lines (with revenue and other indicators delineating the border between 'Institutional' and 'Corporate'). **Public Sector North** and **Public Sector South** will serve Federal and State Ministries, Departments, Agencies and Parastatals. The **Retail Banking** business unit will also be organised along geographic lines, and will serve all retail segments including high net worth individuals, affluent customers, mass market, small businesses ('enterprise'), and local governments.

Supporting our customers

A cross-section of Palm Nursery at Wilson Nigeria Limited, Umuakashi, Echara Nsukka, financed by FirstBank for oil palm processing and vegetable oil production. The palms are transferred into a big plantation after about six months where they are nursed until they are ready for processing.

Fundamentally, FirstBank believes that the new structure represents an important foundation. However, the Bank realises that it will require much more than structural change to attain its business objectives. To unlock the power of the new structure, several critical 'enabling' factors will need to be focused on in 2010:

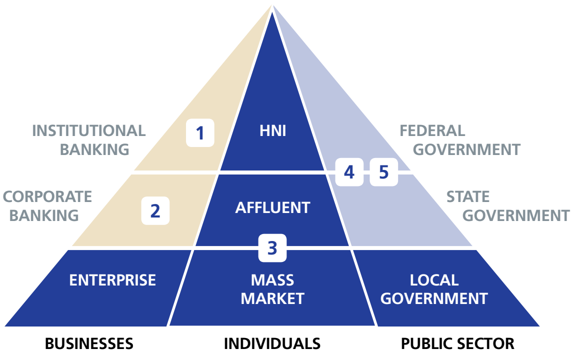
i) **Capabilities:** Ensuring that the Bank possesses the requisite capabilities to be competitive, and optimising the deployment of personnel across the organisation on the basis of needs, competencies and individual interests

ii) **Performance management:** Tailoring the Bank's existing performance management system to the needs of each new SBU, and ensuring that there is visibility into profitability by SBU and at even more granular levels

iii) **Management information systems:** Ensuring that MIS systems are upgraded to reflect new data requirements and to facilitate easy analysis/querying of databases

iv) **Infrastructure/technology:** Modifying the head office, branches and field offices to accommodate the physical and technology infrastructure requirements of the new structure.

Bank customer segments



In addition to the above, two major business units/functional initiatives are imperative and will receive added focus in 2010:

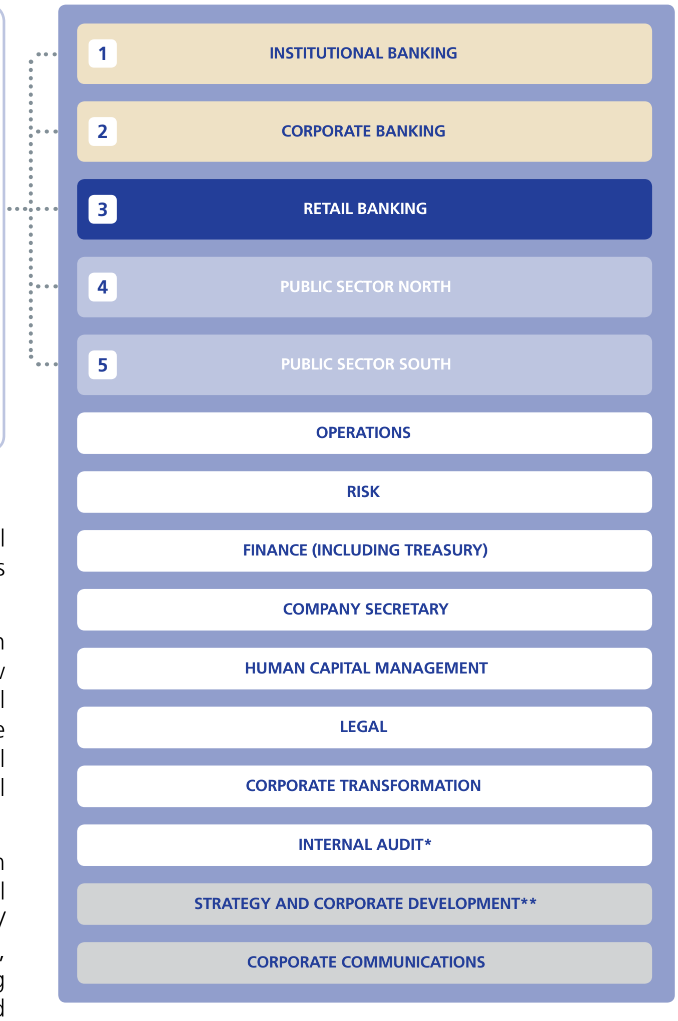
i) **Operations centralisation:** The ongoing centralisation of operations becomes even more critical under the new structure because it enables the Retail bank (which will run branches and will be headed by a single executive director) to focus on sales/marketing versus operational activities. This will also facilitate and deepen operational expertise and skill-sharing.

ii) **SBU strategy redefinition and implementation:** Each SBU will be required to craft an updated commercial strategy with an emphasis on commercial (sales/marketing) elements, optimising the product portfolio, redefining channel strategy (mix, formats, pricing etc.), and optimising marketing spend efficiency and effectiveness, with all of the above driven by deep customer insights. Implementation of each strategy will be tracked, with soft and hard metrics monitored in the performance management system.

MOVING FROM STRATEGY TO EXECUTION

Given the breadth of initiatives envisioned by the Bank, a dedicated Corporate Transformation department has been established, staffed with highly skilled new hires and redeployed internal personnel. The department is focused exclusively on the **implementation of big-ticket cross-functional projects** (e.g., centralised processing centre deployment, implementation of new Bank structure and critical enablers) as well as **co-ordination and performance tracking of major transformation initiatives** across the Bank through its Programme Management Office (PMO). Several minor initiatives are also being run at a business unit/function level and performance against these initiatives is tracked and utilised in business unit and individual appraisals.

Proposed Bank structure – Five strategic business units



* Reports to Board of Directors via Board Audit and Risk Assessment Committee.

** Functions reporting under the Group Managing Director due to the Group-wide scope of their business.

FirstBank believes strongly that execution capabilities are as important as the setting of strategy. Therefore, the Bank is making significant investments to ensure that the right leaders and project management skills are developed in-house, while selectively utilising third parties to support both planning and implementation, where warranted.

Performance

INTRODUCTION

The FirstBank Group and affiliates are subject to extensive and increasing regulation, accounting standards and interpretations thereof, and legislation in the various countries in which the Group operates. From time to time, new laws are introduced, including tax, consumer protection, privacy and other legislation, which affect the operating environment in which the Group operates. As a result of the recent interventions by governments in response to global economic conditions, for instance, it is widely expected that there will be a significant review of government regulation such as the imposition of higher capital requirements and restrictions on certain types of transaction structure to engender stronger but effective supervision of the financial services industry.

If enacted, such new regulations might compel the Bank to inject fresh capital into its operations and those of its subsidiaries and affiliates. The development might require the Bank to enter into business transactions that are not otherwise part of its current Group strategy, prevent the Bank from continuing current lines of operations, restrict the type or volume of transactions it may enter into, limit its subsidiaries' and affiliates' ability to declare dividends to FirstBank, or set limits on or require the modification of rates or fees that the Bank charges on certain loans or other products.

The Bank may also face increased compliance costs and limitations on its ability to pursue business opportunities. Separately, the Basel II Accord's requirement for financial institutions to increase their capital in response to deteriorating market conditions may have secondary effects on lending, which could exacerbate the current market downturn. These measures, alone or in combination, could have an adverse effect on its operations.

Supporting our customers

High capacity cargo handling equipment used for Onitsha River Port renovation, financed by FirstBank.

Supporting our customers

The Faculty of Natural Science at Ajayi Crowther University in Oyo State, financed by FirstBank.

The Bank is currently subject to tax-related risks in the countries where it operates, which could have an adverse effect on its operating results.

A number of double taxation agreements entered into between countries also affect the taxation of the Group. Tax risk is the risk associated with changes in tax law or in the interpretation of tax law. It also includes the risk of changes in tax rates and the risk of consequences arising from the failure to comply with procedures required by tax authorities. Failure to manage tax risks could lead to increased tax charges, including financial or operating penalties, for non-compliance as required by the law.

The Board of Directors and the Group Management Committee measure the Group's progress against its strategic objectives. Progress is assessed by comparison with the Group's strategy, its operating plan targets and its historical performance using both financial and non-financial measures.

As a prerequisite for the vesting of performance shares, the Board Governance Committee must satisfy itself that FirstBank Group's financial performance has shown sustained improvement in the period since the award date. In determining this, the Board Governance Committee will take account of all relevant factors, particularly comparisons against peer group with regard to the financial key performance indicators (KPIs) described on pages 42 and 43.

Key Performance Indicators (KPIs)

Financial KPIs

To support the Group's strategy and ensure that the Bank's performance can be monitored, management utilises a number of financial KPIs. The table overleaf presents these KPIs for the period up until December 2009. At a business level, the KPIs are complemented by a range of benchmarks that are relevant to the planning process and to reviewing business performance. FirstBank has a number of key targets against which future performance can be measured.

see pages 42 to 43

Non-Financial KPIs

FirstBank has chosen three non-financial KPIs, which are important to the future success of the Group in delivering its strategic objectives. These non-financial KPIs are currently reported internally within the Bank, and not on a Group basis.

see pages 44 to 45

Key Performance Indicators

	9 months to December 09		March 09		March 08		March 07		March 06	
	Group	Bank	Group	Bank	Group	Bank	Group	Bank	Group	Bank
Net operating income (₦'m)	**130,524**	**119,188**	160,978	140,949	124,154	108,317	72,806	66,062	57,400	53,493
1 Net income growth (%)	**(18.9)**	**(15.4)**	29.7	30.1	70.5	64.0	26.8	23.5	17.9	22.6
2 Net income mix (%)										
Net interest income	**73.7**	**74.6**	74.3	73.4	55.6	53.1	47.8	45.7	53.5	55.1
Net fee income	**21.5**	**20.6**	21.1	20.7	22.9	21.6	28.8	27.7	30.4	30.5
Other income	**4.8**	**4.8**	4.5	6.0	21.5	25.3	23.4	26.6	16.1	14.4
3 Cost to income (%)	**73.4**	**72.0**	66.8	67.4	63.7	64.5	71.6	72.1	73.1	73.7
4 Credit performance as measured by risk adjusted margin (%)	**6.0**	**7.2**	10.6	11.8	13.8	15.5	16.4	16.4	18.8	17.5
5 Return on shareholders' equity (%)	**1.0**	**0.4**	3.7	9.9	10.4	8.9	22.0	21.0	24.0	24.0
6 Dividends per share growth (%)	**0.0**	**(92.6)**	0.0	12.5	0.0	20.0	0.0	0.0	(37.5)	(37.5)
7 Basic earnings per ordinary share reported (₦)	**0.11**	**0.04**	0.51	1.41	2.67	2.23	1.78	1.56	3.33	3.06

1 The percentage increase in net operating income before loan impairment and other credit risk charges since the previous year.

2 As a percentage of net operating income before loan impairment charges and other credit risk provisions.

3 Interest expense, operating expenses and other credit risk charges divided by net operating income before loan impairment and other credit risk charges.

4 Net operating income divided by average risk-weighted assets.

5 Profit attributable to ordinary shareholders divided by invested capital.

6 The percentage increase in dividends per share since the previous year, based on the dividends paid in respect of the year to which the dividend relates.

7 Basic earnings per ordinary share is defined in Note 37 of the Financial Statements.

FINANCIAL KPIs

Management believes that financial KPIs must remain relevant to the business even though they may change over time to reflect changes in the Group's composition and the strategies employed.

GROUP
BANK

KPI | **Description** | **Performance**

1 Net operating income growth

Net operating income growth provides an important guide to the Group's success in generating business. In December 2009, the Bank's total net operating income grew to ₦119.2 billion (Group: ₦130.5 billion), reflecting the resilience of FirstBank's income-generating capabilities in these exceptionally turbulent economic circumstances.

Total net operating income

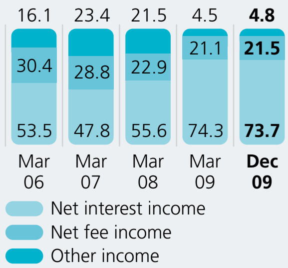
December 2009:
BANK
₦119.2 billion

GROUP
₦130.5 billion

2 Net operating income mix

Net operating income mix represents the relative distribution of revenue streams between net interest income, net fee and commission income and other income. It is used to understand how changing economic factors affect the Group, to highlight dependence on balance sheet utilisation for income generation and to indicate success in cross-selling fee-based services to customers with loan facilities. This understanding assists the Bank's management in making business investment decisions. Comparison of the revenue mix between 2006 and 2009 shows a downward trend of the other income component.

Group net income mix %



3 Cost to income

Cost to income is a relative measure that indicates the consumption of resources in generating revenue. Used to assess the success of technology utilisation and, more generally, the productivity of the Group's distribution platforms and sales forces. There has been a consistent effort to reduce this ratio. The budget for the year was 60% and the Bank achieved 72% (71.85% ex-LLE).

The Group's cost-to-income ratio rise was driven predominantly by rising wage cost on keen competition for skills, higher administrative and general expenses reflecting the inflationary environment and also from massive provisions made for impaired assets during the period.

Group's cost-to-income ratio

December 2009:
73.43%
March 2009: 66.4%

4 Credit performance

Credit performance, as measured by risk-adjusted margin, is an important gauge for assessing whether credit is correctly priced so that the returns available after recognising impairment charges meet the Group's required return parameters. The ratio for December 2009 was 6.0% for the Group (March 2009: 10.6%) as loan impairment charges rose at a faster rate than income on higher average risk-weighted assets. This situation arose from efforts made by the Bank to adequately provide for impaired capital market assets and also additional provisions arising from the CBN's special examinations conducted during the review period.

Credit performance as measured by risk adjusted margin

December 2009:
BANK
7.2%
March 2009: 11.8%

GROUP
6.0%
March 2009: 10.6%

5 Shareholder returns

The Bank aims to deliver sustained dividend per share growth for its shareholders. Based on the year to which the dividends relate rather than when they were paid.

Total shareholder return (TSR) is a key performance measure in rewarding employees and used as a method of assessing the overall return to shareholders on their investment in FirstBank, and is defined as the growth in share value and declared dividend income during the relevant period. In calculating TSR, dividend income is assumed to be invested in the underlying shares. The TSR benchmark is an index set for the purpose of comparing the Bank's range and breadth of activities with the performance of a group of competitor banks. The Bank aims to be in the top quartile of this index.

Total dividend

December 2009:
₦0.10
March 2009: ₦1.35

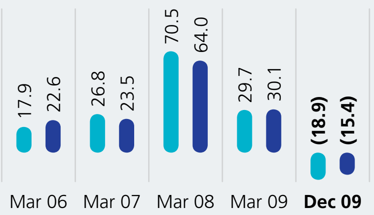
Based on the year to which the dividends relate rather than when they were paid.

Performance | Description | Strategy

see page 29 for further strategy information

Net operating income growth

%



The percentage increase in net operating income before loan impairment and other credit risk charges since the previous year.

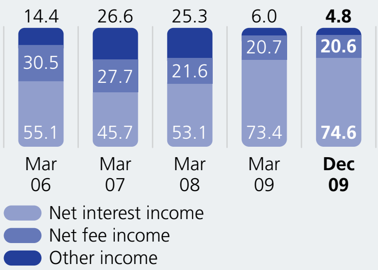
Group: Delivering on our growth ambitions will require a structure that supports development of segment and functional specialists. We will restructure internally for growth, organising around business groups and market segments.

Bank: Grow and effectively deploy risk assets to drive increased revenue and profit growth. The Bank will extend its franchise into new market segments such as corporate and consumer lending.

Restructuring for growth

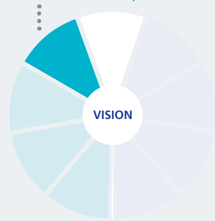
Bank net income mix

%



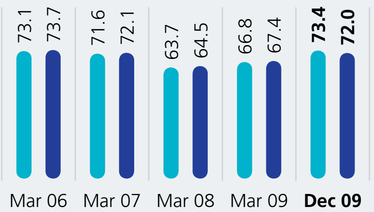
Group: There will be a renewed emphasis on strong growth businesses such as investment banking/asset management and insurance. In addition, we will leverage the synergies and cross-selling opportunities between banking and other financial services sectors to improve fee and commission income.

Business line expansion

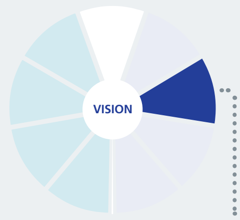


Cost to income

%

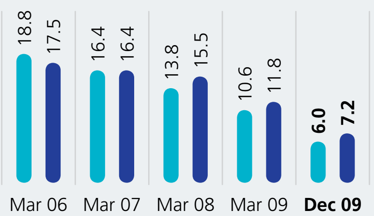


Bank: Continue with our ongoing transformation programme, particularly in the area of cost optimisation. Key initiatives include the rollout of the centralised processing centre, including leveraging the new self-service options; optimisation of our manning structure; and internal process re-engineering focused on extracting value from our technology investments and centralisation and/or outsourcing of support services where it makes sense. Our efforts in improving fee and commission income will also impact the cost-to-income ratio significantly.



Credit performance

%

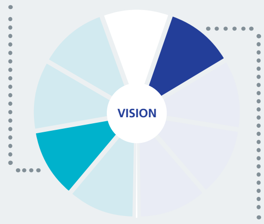


As measured by risk adjusted margin.

Group: Throughout the Group, ensure that portfolio oversight of key functions, including risk and shared services are established.

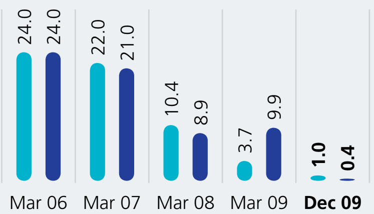
Bank: Risk management systems and processes will be strengthened to optimise portfolio quality and to ensure that margins reflect and adequately compensate for risk. This includes deliberately managing our risk asset portfolio and adopting a pricing model that reflects variations in the risk profile of various credits to ensure that higher risks are compensated by higher returns.

Restructuring for growth



Return on shareholders' equity

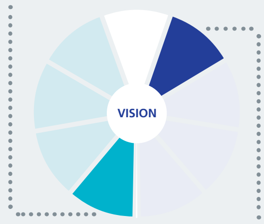
%



Group: Sequence growth priorities over three growth 'horizons' to ensure adequate focus on the right set of initiatives at the right time.

Bank: Improve return on equity by optimising the deposit mix to lower the cost of funds. There will be a strong emphasis on low-cost current and savings deposit mobilisation. In addition, we continue to seek growth in assets that flows through to increased revenue and profit growth, and which ultimately grows shareholder value.

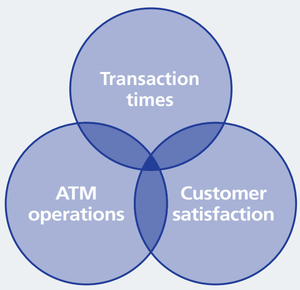
Sequencing growth systematically



NON-FINANCIAL KPIs

FirstBank has chosen three non-financial KPIs, which are important to the future success of the Group in delivering its strategic objectives. These non-financial KPIs are currently reported internally within the Bank, and not on a Group basis.

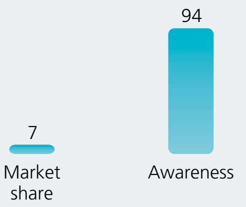
GROUP
BANK

	KPI	Description	Performance
6	**Brand perception**	In order to manage the FirstBank brand most effectively, the Group tracks brand health among personal financial services and commercial banking customers in each of the Bank's major markets. The survey is conducted on a consistent basis by accredited, independent, third-party organisations. A weighted scorecard of brand measures produces an overall score for each market on a 100-point scale, which is then benchmarked against that of main competitors. The scores from each market are then weighted according to the risk-adjusted revenues in that market to obtain the overall Group score.	**Group brand health survey score** 2009: **94%** 4.44% improvement 2008: 90% Source: Research International: Bank Total Awareness.
7	**IT performance and system reliability**	FirstBank tracks two key measures as indicators of IT performance. They are the number of customer transactions processed and the reliability and resilience of systems measured in terms of service availability targets. The number of customer transactions processed reflects the dependency on IT in the delivery channels that customers use to interact with the Bank. Monitoring the volumes by channel enables the Group to allocate resources appropriately. To improve efficiency, the Bank aims to manage the rate of increase in IT transaction processing costs to below the volume increase. FirstBank's IT function establishes with its end-users service levels for systems performance, such as systems running 99.9% of the time or card authorisations within two seconds. It also monitors the achievement of each of these commitments.	**Number of customer transactions processed** 2009: **142,706,722** 22.23% change 2008: 116,752,899 The 2008 transactions cover the financial year. The 2009 transactions cover the calendar year.
8	**Customer satisfaction**	Customer recommendation is an important driver of business growth for the Bank, which in turn uses a consistent measure of customer recommendation around the world to improve on the services being provided by the Group. This measurement is carried out by accredited, independent, third-party organisations and the resulting recommendation scores are benchmarked against competitors. In the 2008 KPMG survey, the Bank was ranked 16 out of 23 banks. While some level of improvement has been achieved from the previous survey, service excellence and improving customer experience remain key to sustaining leadership within the industry. The Bank aims to be in the top quartile of this index in the next few years. To meet this objective, the Bank created the Corporate Transformation Office, charged with, among other things, improving customers' experience at the branch level by creating a world-class environment backed by excellent service. This office has since put a lot of measures in place that will ensure improved customers services which will positively impact on the Bank's customer satisfaction rating by the time the results of the year's survey are released. Some of these measures include service delivery channels (FirstContact, FirstServe and Touchpoint Re-Engineering), and operational excellence (Fleet Management, Manning Optimisation and Quick-wins). Details of these initiatives are provided in other part of this report.	**Customer experience improvement measures**  By implementing a comprehensive service delivery program to address these three key driving factors, and the associated root causes within our operations, FirstBank aims to achieve a top three customer-satisfaction ranking by 2011.

Performance	Description	Strategy

Strategy see page 29 for further strategy information

Youth market brand penetration %



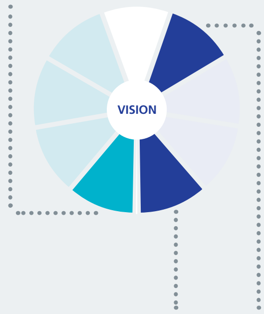
Source: Market survey by Connect Marketing, December 2009.

Source: FINABUS Report, June 2009.

The above survey focus on the age group 11–35 years.

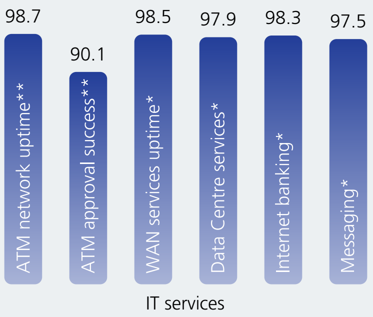
The brand strategy for 2010 and beyond is to leverage the tangible strengths of the Bank to grow market share by connecting with the youth market in a way that positively changes their perception of FirstBank from old, arcane, slow and not in tune with the contemporary young and upwardly mobile consumer segments. To this end, many initiatives have been developed and are ongoing, involving actual re-engineering of the Bank's retail/channel strategy as well as perception management through direct engagement and communications.

Business line expansion



Talent, Growth

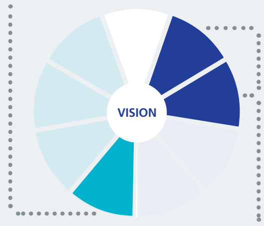
Average availability of IT services 2009 %



Sources: *FBN Infrastructure Management System; ** Interswitch.

FirstBank will continue to lead in the use of technology to drive service excellence and product innovation. Focusing on using technology as an enabler of business growth, we have improved the reliability of our service platforms to improve customer experience across branch and electronic channels. We are currently deploying new business services that facilitate transaction simplification, low-cost operations and convenience through these channels for customer retention and acquisition. In addition, we are empowering employees with new tools to facilitate work in and out of office for more agile response to customer requests, and empowering all tiers of management with qualitative, timely information for decision-making and strong risk management. IT performance and system reliability are integral to realising our growth ambitions.

Sequencing growth systematically

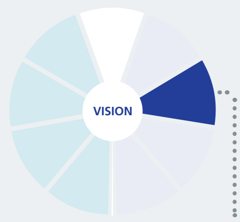


Growth, Service excellence

KPMG survey ranking

Bank: FirstBank will increasingly strive to improve overall service delivery quality through a number of initiatives currently underway. We will lead our transformation programme with the Service Delivery 'lens' to ensure all initiatives drive impact at the front line. Furthermore, the Bank will institute incentives to aggressively move routine transactions to alternate channels and simultaneously ensure that premium customers (e.g., corporates, high net-worth customers) receive first-class service.

Business line expansion



Service excellence

Progress against strategic priorities

GROWTH

FirstBank engaged in a strategic planning exercise in 2008 in which three-year aspirations were set for 2011, with the overarching objective of enabling the Bank to achieve its vision of becoming in every manner 'the clear leader and Nigeria's bank of First choice'.

Our targets

Scale (Assets)

With respect to scale, the Bank continues to grow at a healthy pace organically and, as at YE2009, the Bank had an estimated 13% market share of assets. The Bank views inorganic growth as a viable and appropriate growth route, where a suitable combination and terms can be found. We continue to explore various options. While recent regulatory statements imply that certain limits may be placed upon the relative size of banks, we believe that FirstBank should aspire towards a 20% market share domestically.

Profitability/Capital Efficiency (ROA, ROE, Cost-to-Income)

FirstBank continues to strive towards its profitability and capital efficiency targets. Having already achieved its (pre-exceptional provisioning) ROA goal, the Bank has resolutely set its sights on new ROE and cost/income targets. With a marginally depressed ROE post-equity offer in 2007, FirstBank is judiciously working towards boosting ROE by improving its leverage (with a strong emphasis on low-cost current and savings deposit mobilisation) and enhancing its share of fee and commission income. While cost-cutting initiatives are ongoing, FirstBank envisages that major cost-to-income ratio improvements will come from the income side of the equation – by improving its share of fee/commission income, optimising its liquidity position (i.e., strongly incentivising growth in the loan book versus liquid assets in the near-time), and increasing its yield on earning assets.

Asset Quality (NPLs) metrics

In line with the industry, FirstBank experienced an increase in its non-performing loan ratio due to the general slowdown in economic growth and direct or indirect exposure to sectors affected by the 2008–2009 decline in oil prices and the domestic equity markets. The Bank made aggressive provisions and write-downs in 2009 in line with prudential guidelines and expects that the overall asset portfolio quality will improve shortly, all else being equal. As the Bank extends its franchise further in the middle-market corporate (commercial) and consumer lending space, risk management systems and processes will be strengthened to optimise portfolio quality and to ensure that margins reflect and adequately compensate for risk.

Achievements in 2009

Insurance

In 2009, significant efforts were made to analyse and understand the insurance sector and, subsequently, FirstBank reaffirmed an earlier strategic decision to invest significantly in this space. FirstBank has considered various models of entry into the insurance sector (including offering bancassurance products for third-party insurance underwriters) and has held exploratory discussions with a number of insurers. The decision was ultimately taken to participate directly as an underwriter (selling via the Bank, the internal brokerage business, and third-party brokers) but in a joint venture with a strong technical partner. Consequently, the Group has entered into an agreement with Sanlam – South Africa's no. 1 general insurance and no. 2 life insurance company, with operations in seven African countries – to run a joint life and general insurance underwriting business in Nigeria. We envisage that the business will be launched in 2010. As a step forward, a life assurance underwriting licence was obtained in February 2010.

International Expansion

Outside Africa, FirstBank has been a pioneer in international expansion, establishing a UK branch in the 1980s and subsequently a fully fledged FSA-regulated bank in the UK (FBN Bank UK Limited). FirstBank also operates a representative office in South Africa (Johannesburg) and was similarly a pioneer in China – launching a Beijing office in December 2009, which was the first China Banking Regulatory Commission-licensed representative office of any Nigerian bank. Lastly, FirstBank has applied, and is expecting approval, for a representative office licence in the United Arab Emirates.

Priorities for 2010

In 2010, the focus will be to consolidate and leverage the Bank's strengths and present advantages, to firmly entrench its position as the undisputed market leader in Nigeria. The Bank will explore opportunities for local market mergers or acquisitions, where strong business and shareholder value justification exists. At both the Group and Bank level FirstBank will restructure internally for growth, organising around Business Groups at the Group level and around market segments at the Bank level (discussed further in the Strategy section, see from page 34).

SERVICE DELIVERY AND OPERATIONAL EXCELLENCE

We began a transformation programme in April 2009, in line with our strategic objectives of attaining operational excellence and improving our service delivery, with the overall intent of attaining a top three customer-satisfaction ranking by 2011. FirstBank ranked 16th in the last industry survey (March 2008), driven by three key factors: a) transaction times b) issue resolution/customer satisfaction and c) ATM operations. A comprehensive service delivery programme is being implemented to address these key driving factors, and the associated root causes within our operations. An overview of the service delivery programme is below.

We are pursuing five key initiatives to transform our service delivery based on customer feedback and our competitive environment

TRANSFORMING SERVICE DELIVERY

	CUSTOMER EXPERIENCE/ ISSUE RESOLUTION	CENTRALISED PROCESSING AND BRANCH PROCESS RE-ENGINEERING	BRANCH TRANSFORMATION	TOUCH-POINT RE-ENGINEERING	CHANNEL OPTIMISATION AND MIGRATION
DESCRIPTION	• Create central point of identification, resolution and measurement of customer experience. • Ensure all process improvements are prioritised based on customer feedback.	• Centralise transactional processes and optimise branch processes, to drive standardisation, reduce transaction processing times, and decongest the branches.	• Re-design branch layout and ambience; optimise manning structure and profile; and incorporate E-channel elements.	• Ensure service delivery translated at all customer touch points (e.g., customer forms; internet site; front-line staff, etc.).	• Optimise channels and migrate customers to appropriate channel (based on segment needs and requirements).
ACHIEVEMENTS	• Launched 24/7 contact centre to enable anytime access for issue resolution, feedback and select processing. • Launched targeted focus groups to identify key customer painpoints. • Conduct ongoing mystery shopping.	• Launched CPC and rolled out to first set of branches in four cities, with an initial focus on retail liabilities processing, retail loan processing and third-party transfers.	• Defined concept for 'branch-of-the-future' integrating all elements of the service delivery strategy.	• Launched e-statements; re-designed website; re-designed first batch of forms to simplify sign-up for e-channel/electronic services.	• Re-designed internet banking process to drive online banking activation. Targeted initiatives to address ATM fraud (FirstGuard, Verve, Cards, etc.).
2010 PRIORITIES	• Establish feedback points at each customer touch point and use them to prioritise and measure process improvement. • Establish service standard expectations.	• Roll out CPC and re-engineered branch processes. • Leverage CPC to process transactions from alternative channels (contact centre, website, etc.).	• Targeted rollout of end-to-end concept in priority branches.	• Consolidation and review of forms; revision of KPIs for front-line staff in line with service delivery targets.	• ATM optimisation and targeted migration. • Revamp internet banking platform. • Expand contact centre services (e.g., cheque confirmation).

In addition to improving service delivery, targeted emphasis has been placed on driving execution through the set up of a Programme Management Office within our Corporate Transformation department focusing on driving delivery of priority strategic projects across the enterprise. A process excellence unit has also been set up to drive operational efficiencies, especially regarding cross-functional processes, ensuring a sustainable infrastructure is in place to deliver excellent service consistently.

SERVICE DELIVERY AND OPERATIONAL EXCELLENCE (CONT'D)

Strong strides were made in 2009 towards achieving our service delivery and operational excellence objectives, although significant work still remains. We focused on putting in place the infrastructure for our service delivery, and executing quick-wins in the areas of operational efficiencies. Our key achievements are summarised below.

Achievements in 2009

SERVICE DELIVERY

FirstContact

We launched our 24/7 contact centre to provide customers with easy, anytime access for issue resolution, as well as a means of convenient processing for select transactions. The contact centre offers a variety of services, including account balance enquiries, electronic product sign-up (e.g., internet banking, sms alerts), information on our products and services, issue resolution, emergency services (e.g., stop cheque, debit card hotlisting), and serves as a 'one-stop' knowledge base for anything FirstBank. Significant efforts have been made to create awareness of FirstContact to our customer base, including updating all customer touchpoints with the FirstContact information and targeted advertisement through various channels.

FirstServe

FirstServe is our new Centralised Processing Centre (CPC), set up to remove routine processing tasks from our branches to a centralised unit, with a focus on improving standardisation, reducing processing turnaround time, and freeing up our branches to focus on customer interaction and service instead of data processing. The project is also focused on re-engineering processes that remain in the branch to be more efficient and customer friendly. We have rolled out the CPC and connected select branches in four cities – Lagos, Abuja, Port-Harcourt and Ibadan to the CPC. Initial processes impacted at the CPC or branch level include retail liabilities processing (account opening, account maintenance, electronic product sign-up and processing, etc.), retail loan processing, third-party transfers, and cheque confirmation, among others.

Touchpoint re-engineering

A comprehensive review of our touchpoints is in progress with a focus on ensuring they each transmit our desired service delivery standards. In 2009, we made significant progress on priority touchpoints, specifically a revamp of our corporate website, and redesign of select forms to enable easy sign-up for electronic services. We also launched electronic statements to meet customer service expectations, as well as optimise our operating costs for monthly statements.

OPERATIONAL EXCELLENCE

Fleet management

We have designed a new fleet management process to optimise the usage and streamline the costs of our fleet operations. Once in steady-state, we expect to realise a more streamlined process and significant annual savings in both our depreciation costs and operating costs (fuelling and maintenance).

Manning optimisation

A detailed review of our manning levels is in progress for both our head office operations and our branch operations, with the objective of streamlining activities, cutting, increasing efficiency and reducing our costs.

Quick-wins

A number of initiatives were successfully implemented to reduce waste in the system, including a revised travel policy, move from printed to electronic statements, improved leverage of voice-over IP (communication among our branches), and optimised power usage in our Head Office. At steady state, these quick-wins will result in over ₦350 million in annual savings.

Priorities for 2010

We plan to maintain our focus on our five pillars of service delivery in 2010, and deepen value realisation from our ongoing operational excellence initiatives, especially in the area of cost optimisation. Key priorities for us are ATM optimisation and migration, rollout of the centralised processing centre, including leveraging the CPC for alternative channel transactions; manning optimisation and further value extraction from our customer experience/issue resolution program.

PERFORMANCE MANAGEMENT AND TALENT

Various Human Capital Management and Development (HCMD) initiatives in 2009 financial year were geared towards achieving the strategic objectives of the Bank with respect to performance management and talent. The interventions were focused mainly on the provision of performance drivers for various units to enable them to achieve superior performance. Some of the measures we took during the year are detailed below.

Achievements in 2009

HCMD INTERNAL RESTRUCTURING/NEW OPERATING MODEL

To align with our drive to continuously deliver quality and strategic support to the Group in a timely and effective manner, the human capital department is now made up of the following units:

- HR Strategy (manpower planning, special projects and strategic recruitment)
- Business Advisory (Head Office, Lagos, West, South and North)
- HR Support (compensation and benefits, performance management, first dependants pension/gratuity)
- Medical, Health, Safety and Wellbeing
- Insourcing Ltd (third-party/contract staff administration)
- Employee Relations, Culture and Involvement
- Learning Advisory (Head Office, Lagos, West, South and North)
- Curriculum and Development.

WORKFORCE REALIGNMENT/ANALYSIS

To address the uncompetitive nature of our workforce, which was skewed towards back-office/operational functions, we embarked on a workforce realignment initiative. The initiative is geared at restructuring the existing work groups to make them more efficient, more competitive and skewed towards market-facing functions. Existing and new jobs identified were also profiled to determine their worth.

The **core to non-core** exercise has reduced significantly the variance between core and non-core staff in the Bank and also freed up core staff to handle more strategic functions.

Job analysis/competency profiling

To ensure that jobs were properly evaluated for worth and benchmarked with industry standard, with the assistance of a South African-based consulting firm, we carried out job analysis. In addition, all the competencies required have been profiled and documented.

Optimal manning structure

A project team was set up in conjunction with corporate transformation; the aim is to review our current manning structure, roles, job descriptions and KPIs to ensure their alignment with our focus of service delivery.

Recruitment

A total of 690 staff were recruited as at 30 November 2009. We also headhunted specialists with relevant skills to champion some of the Bank's key focus areas such as: risk management, operational risk, information technology, marketing communication, strategy and corporate development, corporate transformation and investor relations.

Banking Foundation Pool Programme (BFPP)

The BFPP was further enhanced to provide the Bank with young talents and rejuvenate the workforce. In the financial year, 481 successful candidates have been deployed to various branches Bank-wide.

Attrition analysis

We managed to keep our attrition rate at 9% against an industry average of 10%.

Priorities for 2010

- Deploy an assessment and development centre for recruitment.
- Review banking foundation pool recruitment process.
- Improve on market-facing to non-market-facing staffing ratio.
- Define standard manning structure for the branches.

EMPLOYEE WELLBEING COMMITTEE

A healthy workforce to a reasonable level is a prerequisite for improving productivity. The establishment of a Wellbeing Committee is aimed at ensuring a healthy workforce in the Bank. The People First Health, Safety & Wellbeing Committee (PFHSW) marked various health event days with free testing, posters, campaigns, etc. These further raised awareness levels of health conditions and boosted our efforts to establish 'preventive medicine' as a lifestyle.

Achievements in 2009

- Standard staff gym.
- Revamped staff canteen.
- Free medical campaigns.
- Vaccination against cholera and hepatitis.
- Support of the provision of anti-retroviral drugs.
- Introduction of ergonomics.
- Establishment of clubs and classes for tae kwon do, aerobics, swimming and dance.

Priorities for 2010

- Promote employee work–life balance.
- Improve staff productivity and wellbeing.

LEARNING AND DEVELOPMENT

As a learning organisation, our objective for the financial year was to train 100% of the workforce with a training budget of ₦825.7 million. The expected training hours to be achieved by the entire workforce in the financial year are **345,879**. Besides, training emphasis was on sales and marketing programmes. With five learning centres in Lagos, Ibadan, Enugu, Jos and Kano, staff training and development is taken very seriously.

Achievements in 2009

- **602 courses** (in-house, open and overseas trainings) were run.
- A total of **7,650 staff (93.05%)** were trained.
- **1,304** were trained in sales and marketing programmes.
- **243,704** credit hours were achieved, representing about **71%**.
- **373** on mentoring/buddy scheme.

Priorities for 2010

- E-learning.
- First academy blueprint.

RESTRUCTURING OF OUR REWARD AND BENEFITS FRAMEWORK

The compensation and performance management policies were reviewed to align with the Bank's philosophy and current operating environment.

Achievements in 2009

REDUCTION IN THE NUMBER OF GRADE NOTCHES

The number of grade notches reduced from six to five and making the salary differentials between the notches significant, thereby ensuring that movement up the notches is a reward.

INTRODUCTION OF PERFORMANCE PAY

Creation of special notches for the following categories:

- Officers with exceptional competencies and work experience.
- Expatriates.
- Inpatriates.

Review of the CAMA to align with performance criteria and also serve as a bonding and celebration forum.

Priorities for 2010

- To rank among the top three paying banks.
- Establishing standards of performance excellence.
- Promote staff bonding.

WORKFORCE PLAN FOR 2010

A healthy workforce to a reasonable level is a prerequisite In terms of strategy and people fit; HCMD intends to improve on the quality of staff and to also ensure the development of the competencies required to deliver on each element of the business strategy. This we expect to help drive the achievement of the Bank's focus (insurance, investment banking, private banking, offshore banking, product development and information technology). We intend in the 2010 financial year to blend the old and young to enable us to retain a reservoir of knowledge.

Operating Environment and Outlook

GLOBAL ECONOMY

The contraction in global output growth in 2009 turned out to be a lot deeper than had been forecast a year earlier. From estimates last year of a 3% output growth this year, available data indicate that global economic activity may have contracted by 1% in the 12 months to end December 2009.

Under downward pressure for most of the year, commodity prices stabilised by the second quarter, as efforts by the Chinese authorities to boost domestic demand began to bear fruit. Earlier in the year, the government in China agreed a stimulus package worth USD586 billion over two years for infrastructure development and social welfare spending. This spending boost helped drive strong growth in final demand, offsetting the loss of earnings from falling exports. With China (8.5%) and India (5.4%) leading the way, real GDP growth in emerging economies was slightly under 2% in 2009. Despite favourable returns to domestic stimulus packages in the other emerging economies, the adverse terms-of-trade consequences of a recovery in the global oil price dampened final demand in most oil-importing countries.

Although emerging markets were far ahead of the recovery loop, by the fourth quarter of 2009, evidence had begun to emerge of an upturn in activity in the world's more advanced economies. Better policy frameworks, more robust productivity growth, and a bottoming out of the housing market in the United States of America, were the major drivers of recovery among the Organisation for Economic Cooperation and Development (OECD) countries. Economic activity in the United States contracted by 2.7% in the year to December 2009, having fallen by 2.8% in the year to April 2009. The Euro area, which contracted by 4.2% remained unchanged over the review period, despite marked progress in Germany, the Netherlands and France. Spain and Italy were the region's worst performers. The United Kingdom also saw output growth worsen from a negative 4.1% in April to a further contraction of 4.4% by end December 2009.

Patchy though the evidence of economic recovery towards the end of the year was, by far the bigger worry is the unevenness of the new growth trajectory. Despite considerable easing in financial market strains in the past few months, policy makers in the OECD remain concerned about funding conditions of many companies. Mixed data on the performance of economies across these regions further compounded the debate over when it would be appropriate to rein in the fiscal and monetary stimuli that have supported most of these economies. Credit availability remained a major constraint throughout 2009.

Supporting our customers

A section of poultry and egg conveyors financed by FirstBank at Phinomar Nigeria Limited Ngwo Enugu. The poultry is highly automated and Phinomar Nigeria Limited has been in banking relationship with FirstBank for over 30 years.

NIGERIA

The domestic economy did better than most forecasts of its performance in the review period. Concerns had been raised early in the year over how the decline in oil revenue and the global credit crunch would affect the economy. In the main, there were worries over the impact on the domestic market for credit as the financial services sector adjusts to the changed financing conditions. However, provisional data from the Nigerian Bureau of Statistics (NBS) put 2009 output growth at 6.90% as against 5.98% in 2008. In large measure, better than average output performance in the non-oil sector (8.0%) was the main growth driver, with the non-oil sector contributing 85.6% of GDP. Oil sector growth in the review period was subdued until the amnesty in the Niger Delta region was negotiated in the third quarter of the review period. The output volatility, which had characterised the oil industry because of armed activity in the region, was compensated for by a bullish market.

While the fall in oil revenue may have adversely affected market sentiments, reduction in foreign direct investment, and the reversal of portfolio flows not only put pressure on the foreign exchange market but may have triggered liquidity problems in the banking sector. Nonetheless, the CBN's policy reactions ensured that by year end, the arbitrage window between rates at the official foreign exchange market and the inter-bank market had closed considerably. Compared with the end December 2008 average exchange rate at the Wholesale Dutch Auction (WDAS) (₦126.48/USD1) the naira closed the review period at ₦149.58/USD1.

Growth in monetary aggregates slowed down rapidly in the review period, with broad money growing by 12.80% on an annualised basis, and net aggregate domestic credit to the economy growing by 56.10%. Lower than expected monetary growth figures resulted from the deterioration in the financial services industry's net foreign assets and deceleration in credit to the private sector. Consequently, the inflation rate as measured by the year-on-year increase in 'all items' consumer price index was subdued during the period under review.

Having fallen in the nine months to September 2009, inflation (on a year-on-year basis) began inching up in October, rising to 12.4% by November. Although lower than the 15.1% recorded in December 2008, rising food prices were the main inflation concern in the period under review. On the back of sustained growth in Asia, US dollar depreciation, and rising equity prices, OPEC's reference basket which closed the year to December 2008 at USD35.58/b, reached USD72.67/b in November 2009. Despite the bullish oil markets, the nation's foreign exchange reserves closed the year at USD42.47 billion, down from USD53.00 billion in December 2008.

Major sources of worry in the period under review included concerns over the extent to which the nation's infrastructure deficit could be met from official spending. Mainly, this worry was associated with the fact that about half of the federal government's capital budget remained unspent as at year end.

Supporting our customers

Refinery and farm tanks used in vegetable oil production and storage at Wilson Nigeria Limited, Umuakashi, Echara Nsukka, financed by FirstBank.

DOMESTIC INDUSTRY

As expected, the financial services industry faced continuing pressure from the aftershocks of the global financial and economic crisis. The apex bank's industry reform initiatives dominated the financial services landscape in the review period. Designed to increase industry resilience in the face of less than optimal monetary growth, to strengthen the banks by addressing undercapitalisation, and to help them rediscover their financial intermediation function, these reforms did however heighten regulatory risk.

The industry's regulatory burden was further heightened when the CBN as part of its statutory duty of ensuring a sound financial system conducted a two-phase special examination of banks in the country. On the strength of its assessment of the health of the banks in terms of their liquidity, capital adequacy and corporate governance, the apex bank took action in support of eight of the banks adjudged to be in a grave situation. Along with its policy of credit easing, the CBN further provided ₦620 billion as liquidity support and long-term loans to the banks.

Other reform initiatives by the apex bank in the review period included guaranteeing all interbank placements, and placements with banks by pension fund administrators (PFAs). The apex bank hoped thereby to ensure that the markets remained liquid. It sought also to deepen the market for financial services through supporting the long-term debt market, by removing limits to banks' investment in the domestic bond market. Concerns over the extent to which relatively low disclosure levels in the industry contributed to the industry's crisis saw the CBN reinforcing the agreement reached by the Bankers' Committee at its 21 March 2009 meeting to adopt 31 December as the industry's common accounting year end.

On the back of the apex bank's activities in support of industry liquidity, a number of indicative rates trended down towards the end of 2009. The weighted average interbank call rate fell from 12.2% as at December 2008 to 2.91% in December 2009. The secured open buy-back (OBB) rate for December was 2.51%, while the spread reflecting counterparty credit risk narrowed to 40 basis points in December 2009 from 316 basis points at the end of the third quarter.

Supporting our customers

Oil mill machinery and stacks of finished soya meal for feed production at Phinomar Nigeria Limited, Ngwo, Enugu. The project is financed by FirstBank and the feed is used to groom the poultry, which is acclaimed to be the tastiest in Enugu and environs.

OUTLOOK

Despite emerging evidence of recovery in North America and Western Europe, sluggish job growth remains a major worry in the United States of America. Across the Euro area, underlying economic conditions remain poor, with labour and product market weaknesses the key blights to the horizon. While credit availability will remain of concern into 2010 when full recovery in global activity is expected, the pro-cyclical responses of most economies to the global crisis reinforces the need for a coordinated response to the challenge of successfully redressing structural imbalances, including large fiscal and current account deficits, over-stretched banks, and growing external debt.

Better financial conditions and growth in global trade towards the second quarter of 2010 should lift transition and emerging economies, although on the African sub-continent, further growth prospects would require investment in new capacity in traditional sectors of the economy. Across Africa, the broader policy response would continue to include structural reforms that make it easier for new sectors to emerge, and which conduce to the strengthening of the domestic demand that will support such sectors.

In Nigeria, expectations are of output growth in the region of 5% to 6% in 2010. There will be worries over rising inflation and the implications of the growing budget deficit for certain macroeconomic indicators. But by far the bigger concern will remain over the massive dependence of the economy on oil prices. This ought to set the tone for government to urgently pursue the much-discussed diversification of the economy's revenue base. Invariably, this calls for an increase in the investment of oil revenue in sectors that will boost the economy's long-run productivity and competitiveness. On the basis of recent experience, further savings of portions of the oil revenue is essential, not only because this provides a buffer against lean years, but as a trans-generational down payment. Going forward, it is imperative for government to put adequate infrastructure in place (particularly the public private partnership (PPP)), restructure spending by the three tiers of government, especially through blocking leakages in revenue generation, diversify the economy and efficiently manage resources.

The fortunes of the banking sector will depend on the path of proposed legal reforms to the sector, including but not limited to the prompt establishment of the asset management company (AMC), and the CBN's plans to establish a new regulatory body to be known as the financial services authority. 2010 might see an improvement in the CBN's focus on monetary policy formulation.

However, with the levels of loss recognition experienced by the industry in the last six months, lower growth rates are forecast in the near term. The larger economy may slow down further as a result, especially if a drop-off in the rate of private sector credit growth stifles domestic demand. Further reforms to industry should include improved disclosure standards. With the completion of the special examination, new standards for corporate governance, transparency and risk management should be implemented in the industry. Nonetheless, the immediate set-up of an asset management company would be necessary to address downside risks including investor apathy in the local market, and the size of additional funds to be sourced by banks.

Supporting our customers

A section of machinery regulating the filtration and purification of vegetable oil at New Era Foods, Limited Aba. New Era Foods produce palm oil and vegetable oil with the use of highly mechanised and modern equipments and the project is financed by FirstBank.

Financial Review

OVERVIEW OF FINANCIAL RESULTS

The FirstBank Group weathered an exceptionally challenging year as the crisis in the Nigerian banking sector deepened. The financial performance of most Nigerian banks was significantly affected by a weaker operating environment and the CBN's examination, which required banks to reclassify a significant proportion of loans as non-performing and to raise appropriate provisions in line with their findings.

In the nine months to December 2009, the FirstBank Group achieved moderate 20.3% annualised growth in gross earnings to ₦196.4 billion, from ₦217.6 billion achieved in the 12-month period to March 2009. Subsidiaries contributed 10.7% to the group's gross earnings (15.2%: March 2009). In the same vein, the Bank grew gross earnings at an annualised 26.7% rate over the nine-month period to ₦175.4 billion (March 2009: ₦184.5 billion). A marked increase in our funding costs, following a rise in term deposits as a proportion of total deposits, coupled with significant loan loss provisioning arising from deterioration in asset quality, negatively impacted underlying profit growth. Consequently, in the nine-month period under review, profit before tax for the Group declined to ₦11.6 billion (March 2009: ₦53.8 billion) while the Bank recorded profit before tax of ₦7.7 billion (March 2009: ₦46.1 billion).

The Group's total balance sheet plus contingent liabilities increased by 8.1% from ₦2.0 trillion (Bank: ₦1.7 trillion) in March 2009 to ₦2.2 trillion (Bank: ₦1.8 trillion) as at December 2009. This was driven mainly by growth in loans and advances. Shareholders' funds for the group declined to ₦309.6 billion (Bank: ₦317.5 billion) compared to ₦337.4 billion (Bank: ₦351.0 billion) as at March 2009. The decline was attributable to a reduction in retained earnings used for part payment for the prior year dividend.

ECONOMIC FACTORS IMPACTING THE RESULTS

The global financial crisis was characterised by attendant systemic credit and liquidity crisis as interbank and wholesale funding markets stalled in the wake of fading confidence among financial institutions. Significant deleveraging followed as financial institutions realised assets to cover liquidity shortfalls, resulting in dramatic repricing of these assets. The lack of liquidity and significantly reduced risk appetite severely limited both the ability and willingness of financial institutions to finance normal corporate requirements, bringing about a slowdown in market activity.

With Nigeria not being very integrated within the global economy, the first-round impact of the global credit event was modest. However, the broader, second-round impact of the credit event was not long in coming. The principal negative, by virtue of its direct influence on spending by all three tiers of government and on the exchange rate, was the dramatic fall in the oil price from the second quarter of 2008 through to the first quarter of 2009. Another negative has been the reduction in external credit lines for Nigerian banks, such that businesses that are traditionally supported by foreign currency funds were adversely affected by the scarcity of dollar facilities during the year.

In a reflection of the cycle witnessed globally, Nigerian banks adopted a conservative lending posture, clogging the significant flow of credit to the private sector. Yields in the interbank market have continued to decline driven by the excess liquidity in the economy, with banks putting unutilised funds in government securities. In particular, the problems in the banking sector have meant that the Central Bank of Nigeria (CBN) has pumped around ₦620 billion into the banking system to support the ailing banks.

1. ARM Research, Banking Sector Update February 2010

BALANCE SHEET ANALYSIS

Continued growth in total assets

Total assets for the Group rose to ₦2.2 trillion, 8.1% above the ₦2 trillion recorded as at March 2009, supported by growth in loans and advances.

Loans and advances performance

Loans and advances (LAD) for the Group, including advances under finance leases, increased in the nine months to December 2009 by 45.7% to ₦1.09 trillion (March 2009: ₦752.2 billion). In the same vein, the Bank grew LAD by 49.46% from ₦695.9 billion to ₦1.03 trillion. Along business lines, corporates were responsible for 26.7% (March 2009: 40.3%), consumer 10.2% (March 2009: 15.8%), retail 25.5% (March 2009: 33.6%), financial institutions 30.5% (March 2009: 9.2%), public sector 6.4% (March 2009: 0.14%) and SME 1% (March 2009: 0.98%) of the loan book. The major sectors of the loan book that recorded growth were finance and insurance, oil and gas, and retail services, while the manufacturing and consumer sectors recorded declines. Significant exposure to the finance and insurance sector was driven largely by money market lines granted to banks and discount houses for relatively short tenor, subject to roll-over, the risk of which is considered fair.

Fig 1. Seven-year historical trend – loans and advances

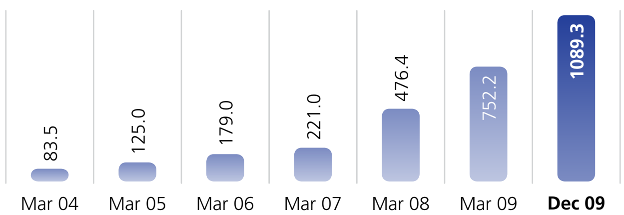


Fig 2. Loans and advances by business line

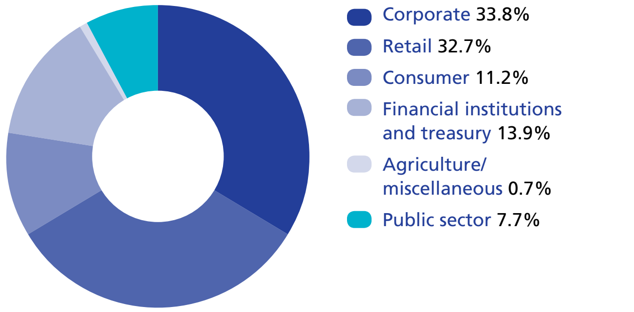


Fig 3. Loans and advances by sector

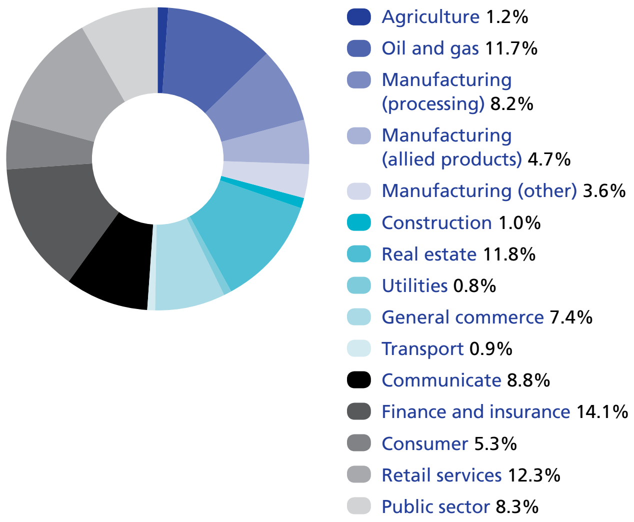
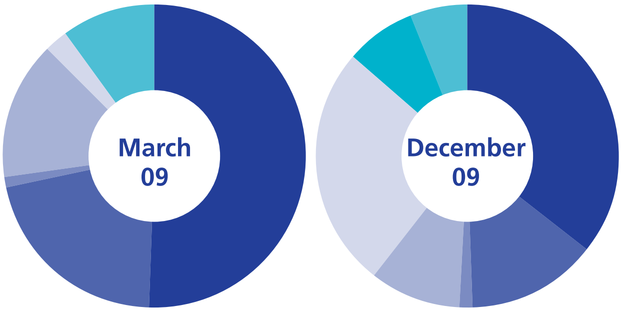


Fig 4. Loan and advances by type



	March 09	December 09
Term loans	50.6%	35.8%
Staff loans	21.2%	13.9%
Overdrafts	1.2%	1.4%
Commercial paper	14.7%	9.5%
Money market lines	2.5%	25.8%
Project finance	0.0%	7.7%
Other	9.9%	5.9%

Deposits and current accounts

Total deposits for the Group expanded by 12.1% in the period under review from ₦1.2 trillion in March 2009 (Bank: ₦1 trillion), to ₦1.3 trillion as at December 2009 (Bank: ₦1.2 trillion). This growth was recorded at a time when the year end for the industry was harmonised, with competition heightened as banks sought to get a larger share of the customer's wallet. Positively impacting the growth in our deposit levels was continued expansion in our branch network, growth in our customer base, increased focus on alternative delivery channels such as ATMs, POS terminals and online banking, as well as increased product offerings.

Growing our deposits from such a large base, in the current environment, is testament to the strength of the FirstBank brand, the strength of our corporate relationships which continue to drive the direction of deposits as well as the confidence and trust placed in the institution by the general public.

Expectations for a wholesale flight to safety as depositors moved their funds en masse to the banks that had scaled through the audit did not materialise, largely due to the CBN guarantee of all deposits with the failed banks, as well as a strong appeal to large depositors within the corporates and the public sector not to move their funds.

Fig 5. Seven-year historical trend – deposits

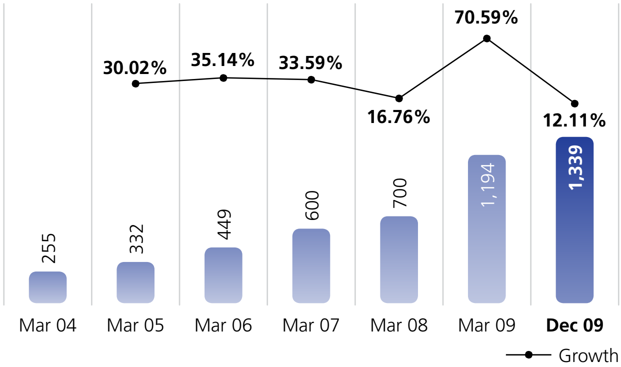
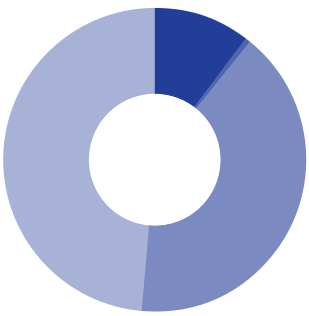


Fig 6. Deposit mix by customer segment as at December 2009



Government
10.4%

Finance companies
0.6%

Corporate customers
40.6%

Individuals
48.4%

Fig 7. Deposit mix by type of account

	MARCH 2004	MARCH 2005	MARCH 2006	MARCH 2007	MARCH 2008	MARCH 2009	DECEMBER 2009
Current	42.4%	50.3%	44.7%	37.6%	47.1%	46.2%	40.0%
Savings	42.4%	31.5%	28.6%	25.8%	25.5%	20.3%	19.9%
Time	15.2%	18.2%	26.8%	24.6%	21.0%	27.7%	31.4%
Domiciliary	0.0%	0.0%	0.0%	12.0%	6.5%	5.8%	8.8%

INCOME STATEMENT ANALYSIS

Gross earnings

In the nine-month period under review, the Group recorded gross earnings of ₦196.4 billion, compared to ₦217.6 billion recorded in the 12-month period to March 2009. This represents annualised growth of 20.3%. Over the same period, the Bank also recorded gross earnings of ₦175.4 billion (March 2009: ₦184.5 billion), translating into annualised growth of 26.7%. Interest from loans and advances remained the major contributor to total interest income, while other sources such as placements with local banks, and treasury bills accounted for the balance.

Fig 8. Seven-year historical trend – gross earnings

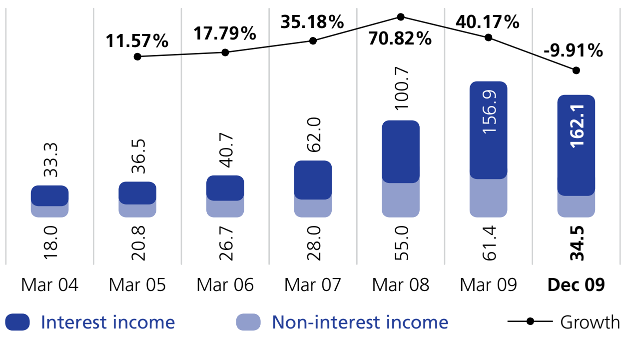
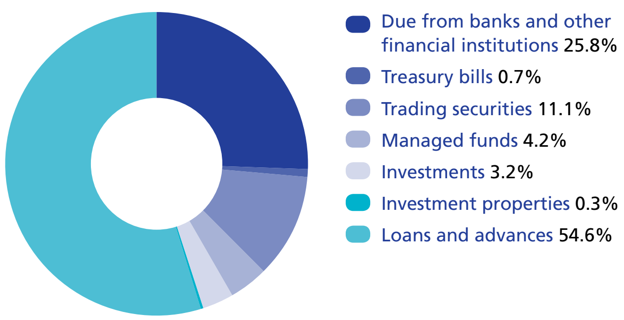
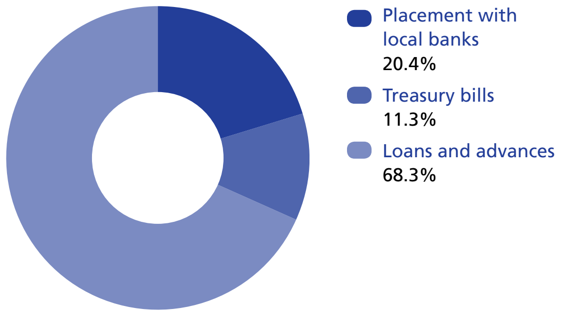


Fig 9. Breakdown of earning assets as at December 2009



Overall, while interest income benefited from growth in volume of earning assets, there was slight deterioration in the interest yield on total assets to 10.9% from 11.2% as at March 2009. In addition, as a result of the deterioration in asset quality, and ensuing significant growth in non-performing accounts, especially following the special audit carried out by the CBN/NDIC, growth in interest income was negatively impacted by the suspension of interest accrual on non-performing loans in line with requirements of the Nigerian GAAP.

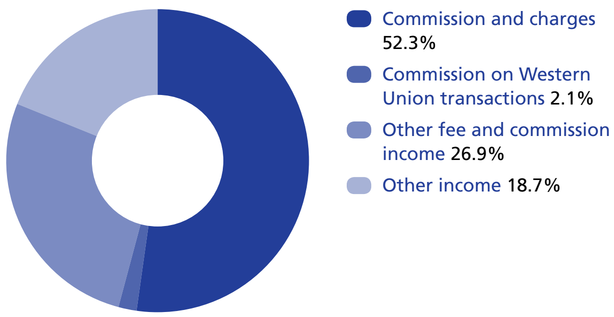
Fig 10. Breakdown of interest income by sources as at December 2009



Furthermore, the CBN's guarantee of the interbank market, coupled with heightened levels of risk aversion within the banking sector, and consequent adoption of more conservative lending strategies, banks' existing free funds and new monies were channelled towards low-risk securities. Not surprisingly then, a combination of these factors led to a steep decline in interbank rates as well as rates on treasury bills and FGN bonds – thus impacting growth in interest income from these sources further. Underscoring a continuation of this trend in the current year, as at March 2010, in excess of ₦400 billion was on average deposited at the CBN at 1% (revised lower from 2% in Feb 2010).

For the group, non-interest revenue grew at an annualised rate of 11% to ₦34.4 billion (March 2009: ₦41.3 billion), representing 17.5% of gross earnings, and was negatively impacted by the slower pace of economic activity. Growth was driven by fee and commission income (primarily commission on turnover and credit-related fees), income from investments as well as foreign exchange income.

Fig 11. Breakdown of non-interest revenue as at December 2009



Net interest income and margin analysis

The FirstBank group continues to enjoy one of the lowest cost of funds in the industry, by virtue of its large base of small savers whose principal consideration is the safety of their funds. In spite of this, there has, however, been a general increase in the weighted average cost of funds across the banking industry, driven by the rise in the proportion of time deposits to total deposits as shown in figures 12 and 13.

This trend was driven by a number of factors including intense competition across the industry to shore up deposit bases ahead of the common year end as previously discussed, some level of asset substitution from the equity and real estate markets to the money market as well as an increasingly sophisticated customer base. In line with this trend, in the period under review our blended average cost of funds increased by 230 basis points to 6.5% (March 2009: 4.8%).

Fig 12. Five-year historical trends – cost of funds (%)

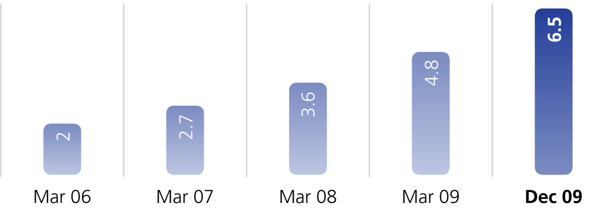
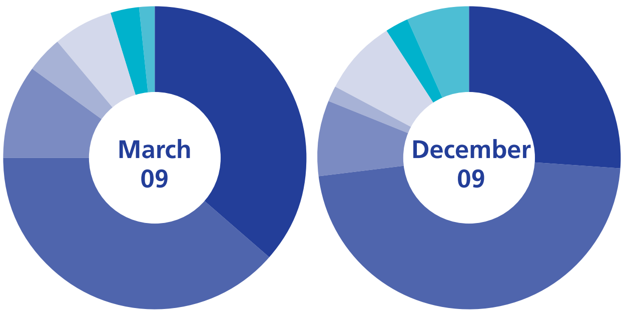


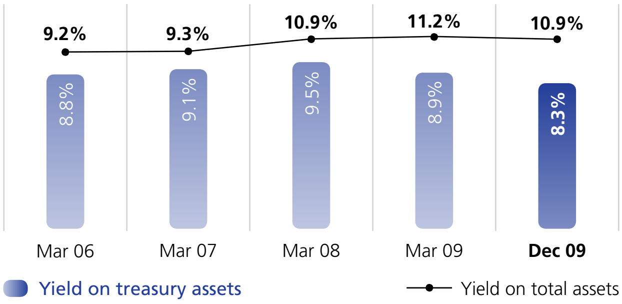
Fig 13. Interest expense by type of account as at December 2009



	March 09	December 09
Demand	36.5%	26.3%
Time deposit	38.6%	46.7%
Savings	10.1%	8.1%
Domiciliary	3.7%	1.6%
Interbank takings	6.6%	8.3%
Borrowed funds	3.1%	2.3%
Managed funds	1.4%	6.6%

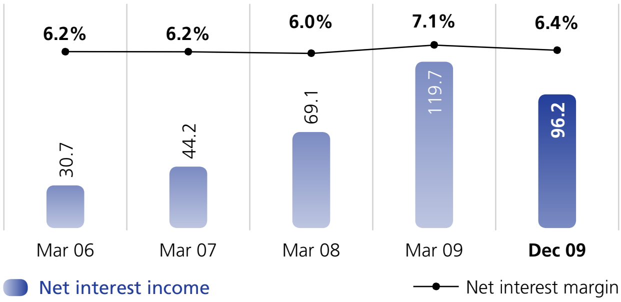
In addition, given that loans and advances are about 49% of our total assets base, money market and treasury bill yields are a key driver of interest income. Thus, as highlighted previously, declining rates on treasury bills and the interbank market, coupled with a liquidity glut from continued risk aversion within the sector, put further pressure on our margins.

Fig 14. Five-year historical trends – yield on treasury assets



Overall, in the nine-month period to December 2009, net interest income for the Group grew at an annualised rate of 7.1% to ₦96.2 billion (March 2009: ₦119.7 billion). From the foregoing, growth in interest expense significantly outstripped growth in interest income, exerting downward pressure and leading to a narrowing of our net interest margins to 6.4% as at December 2009 from 7.1% as at March 2009.

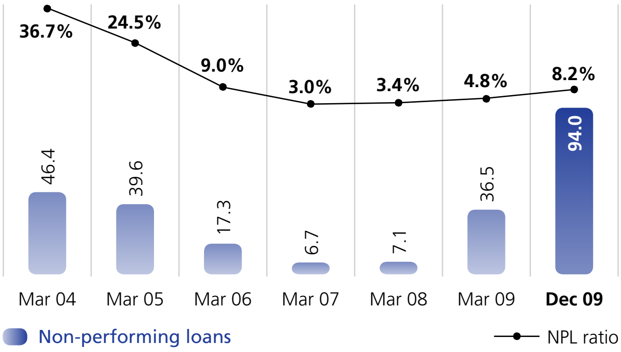
Fig 15. Five-year historical trends – net interest income



Risk provisions

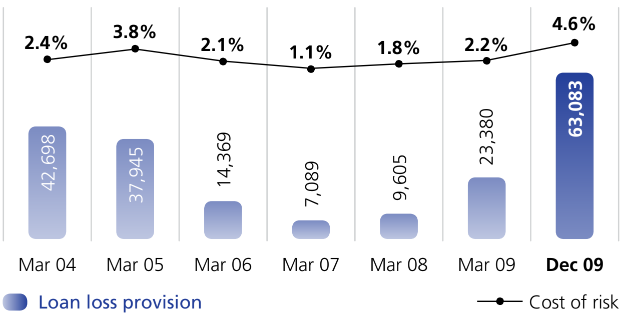
The challenging operating environment led to a rise in delinquency rates, which pushed our non-performing loan portfolio from ₦36.5 billion of total loans as at March 2009 to ₦93.9 billion as at December 2009. This led to further deterioration in our non-performing loan ratio for the Group to 8.2% (March 2009: 4.8%). The decline in asset quality is as a result of the deterioration in margin trading facilities, loans secured by quoted shares, loans to the oil and gas sector and a generally weaker credit environment.

Fig 16. Seven-year historical trend – non-performing loans



Risk provisions, which include write downs of and value adjustments to claims and certain securities, as well as additions for possible loan losses, rose significantly by 170% to ₦63.1 billion as at December 2009, compared to ₦23.4 billion in March 2009. Our cost of risk has thus increased from 2.2% as at March 2009 to 4.6% as at December 2009.

Fig 17. Increasing impact of deteriorating asset quality



We cannot deny the impact the global and domestic financial crisis continues to have on our customer base. Our exposure as at December 2009 secured by shares (quoted and unquoted) stood at ₦53.1 billion, representing 4.79% of total loan portfolio (TLP). However, exposure against quoted shares was ₦30.9 billion.

Fig 18. Non-performing loans by business lines as at December 2009

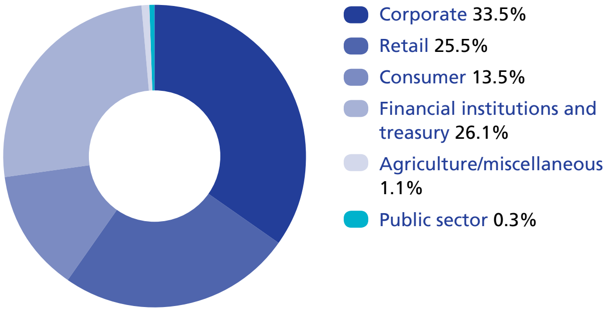
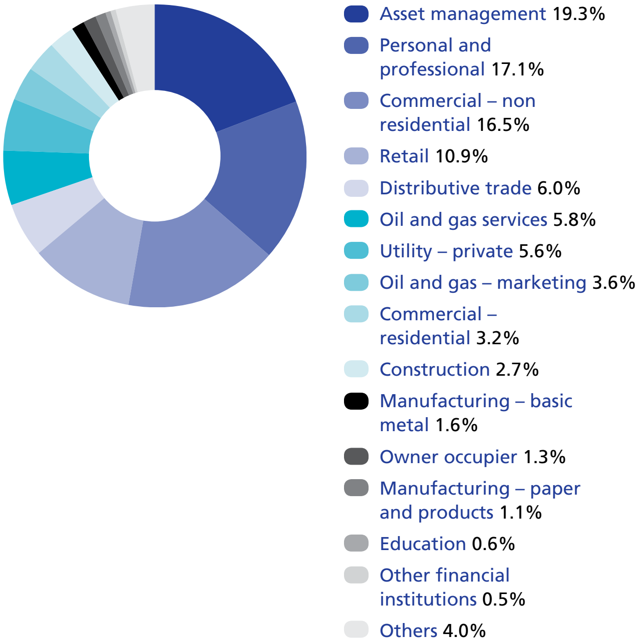


Fig 19. Non-performing loans by sector as at December 2009

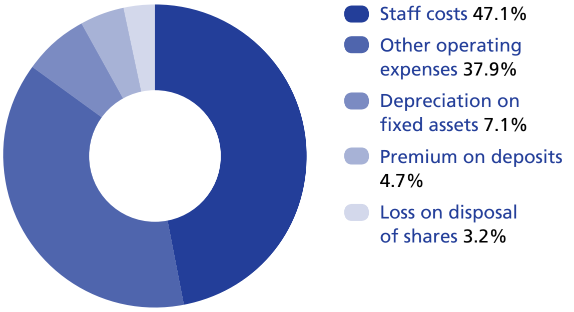


While currently originating quality new business, we continue to ensure the appropriate strategies are in place to minimise rate of NPL formation. These include a heightened focus on early identification of problem accounts, collection capability and efficiencies, proactive rehabilitation policies and processes. On our margin loan accounts, the remedial strategy is to recover past due obligations on non-performing accounts, restructure performing exposures against realistic cashflows and pursue a gradual workout. Depending on the rate at which economic activity improves, we expect the overall asset quality picture to remain challenging for the industry in 2010 as loan books season.

Operating expenses

Our operating expenses in the nine months to December 2009, at ₦78.3 billion, recorded annualised growth of 19.1% relative to the March 2009 levels at ₦87.7 billion, exceeding annual average inflation rate of 11.8% over the period under review. Staff costs at 51.8% of total operating expenses remained the major component, and were contained, rising 7.8% on an annualised basis – well below the average rate of inflation. As a proportion of gross earnings, this improved to 20.7% from 23.1% as at March 2009.

Fig 20. Breakdown of operating expenses as at December 2009



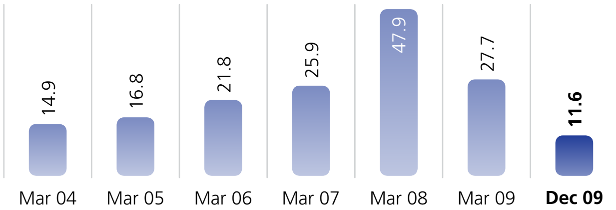
Administrative and general expenses constituted 32.1% of overall costs and recorded annualised growth of 22.8%, reflecting the high inflation environment, as well as higher expenditure on information technology to maintain, enhance and expand the core network. This, in addition to continued branch expansion contributed to the 19.2% annualised growth in depreciation costs.

Cost to income ratio for the group as at December 2009 was 73.4% (Bank: 66.4%), compared to 72.0% (Bank: 67.8%) as at March 2009.

Profits

In such challenging conditions, the Bank achieved profit before tax of ₦7.7 billion, down an annualised 77.8% from ₦46.1 billion recorded as at March 2009, while Group profit before tax declined 71.3% to ₦11.6 billion, from ₦53.8 billion over the same period. On an after-tax basis, while the Group recorded a decline in profit of 66.2% to ₦3.2 billion (March 2009: ₦12.6 billion), the Bank's profit declined 95.2% to ₦1.2 billion from ₦35.1 billion over the same period.

Fig 21. Seven-year historical trend – profit before tax



Liquidity management

The global financial crisis, oil and gas, as well as margin lending related exposures by the domestic banking industry continued to have adverse effects on the liquidity and funding risk profile of the Nigerian banking industry.

As at December 2009, the Group had a liquidity ratio of 32% (March 2009: 48.2%), significantly above the 25% regulatory requirement. The decrease in the liquidity ratio was driven predominantly by growth in our risk assets.

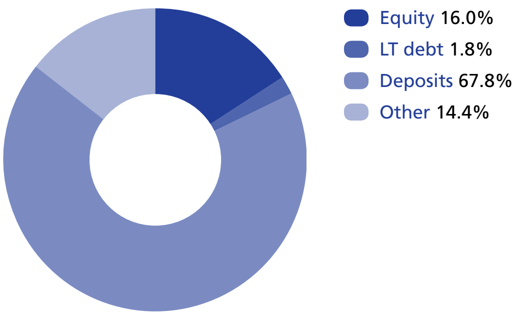
Further information on our liquidity management is contained in the Risk Management section on page 77.

Funding

Our strong deposit gathering franchise ensured that we remained about 68% funded by deposit liabilities, consisting of well-diversified corporate and retail deposits.

In the wake of the global financial crisis, while lines of credit were cancelled or cut back for a number of banks in the country, we experienced growth in our lines and increased request for correspondent banking relationships – reflecting our status as safe partner for strategic intervention in Nigeria by foreign financial institutions. Our relationships with Export Development Canada (EDC) and European Investment Bank (EIB) were deepened with additional facilities, while discussions with DEG (German DFI), Proparco (French DFI) and International Finance Corporation (IFC) are at different stages of completion.

Fig 22. Funding breakdown as at December 2009



Capital management

The group achieved a capital adequacy ratio of 15.8% at the end of December 2009. While this is lower than the 24.3% recorded for the period ended March 2009, it is far in excess of the regulatory requirement of 10%. The reduction was driven by the increase in loans and advances during the year.

Fig 23. Seven-year historical Bank trend – tier 1 capital adequacy plus total capital adequacy ratio

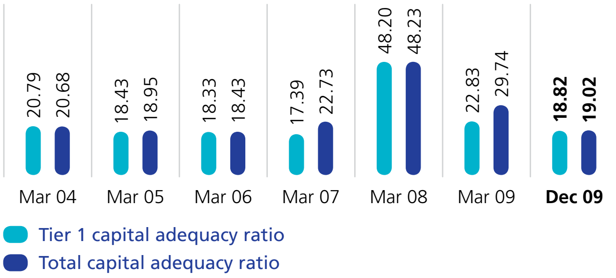
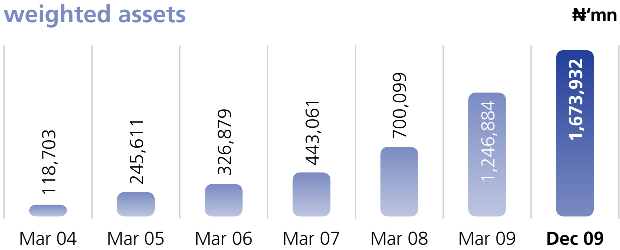


Fig 24. Seven-year historical trend – total risk weighted assets



KEY PERFORMANCE INDICATORS

In this difficult environment return on equity declined to 1.03% (March 2009: 3.73%). Basic earnings per share for the group declined to 10.99 kobo (March 2009: 50.5 kobo) and net asset value per share declined to ₦10.7 (March 2009: ₦13.6).

Risk Management Disclosure

1 DIRECTOR'S REPORT

In line with international best practices, FirstBank and its subsidiaries continued in the current year to enhance its corporate governance standards by improving on the level of risk management disclosure in the published financial statements.

The Board of Directors having recognised that an appropriate level of timely disclosure is beneficial to all stakeholders has given its full support to this process to boost the confidence of the market in the Bank and its subsidiaries. Our aim is to continue to enhance the level and quality of disclosures year on year, even as a regulatory framework for risk management disclosure is evolving.

The operating environment in the year just concluded was extremely challenging, and it tested the risk management philosophy and soundness of the Group. The year started on the usual highly competitive note, with the attendant pressure for increase in market share by the industry players. In the year under review, FirstBank Group also reinforced its strategic imperative of growth, service excellence and people/performance management. Industry events, however, took a different turn, as a special audit of banks was initiated under the leadership of the new Governor of the Central Bank of Nigeria, which resulted in the intervention of the CBN in eight banks. The outcome of this singular exercise jolted the industry and consequently slowed down activities. However, it accentuated the importance of sound risk management practices and caused banks to reassess their priorities.

This development ironically opened up opportunities for the FirstBank Group to further consolidate on its strategic imperatives.

For us at FirstBank, a major consequence of a revamped regulatory framework was an influx of credit applications as access to credit in the industry became restricted. Therefore the Bank took conscious action to tighten its risk acceptance criteria in order to ensure that funds are committed only to viable projects and good-quality risk assets. The industry also experienced a squeeze on foreign currency lines even as the impact of global economic recession remains unabated. Nonetheless, risk asset portfolio growth of 44.8% (including advances under finance levy) was recorded in the nine-month period, a slight drop on the prior year level of 59%, even on a pro-rata basis.

As a means of enhancing the credit process, the Specialised Lending Department kicked off in the current year. Infrastructure/project financing is now subjected to rigorous risk assessment by a team that is well skilled for the function. This structure has helped the Bank carefully select oil and gas and real estate types of projects and monitor timely delivery on the projects. Opportunities in alternative assets are also being pursued across the Group, and requisite risk management competencies will be built in the teams.

The FirstBank Group will continue to focus on maintaining a granular and well-diversified retail portfolio in view of its higher margins and dilution of portfolio concentration. The Group will only take large exposures in low-risk transactions that can be well managed and are backed by tradable instruments.

Even though access to credit at industry level is limited, the Group has continued to support economic growth by granting various facilities to start up companies with good business plans and to foster infrastructure development projects.

The impact of the systemic crisis generated by the collapse of the capital markets and oil and gas downstream sector continued to hit hard on the banking industry in the year under review. CBN took a prudent position on this segment of the industry's loan portfolio, requiring appropriate provisioning and disclosure, and has helped in restoring confidence in the industry. We have fully provided for our capital market exposures in accordance with the Prudential Guidelines and marked our portfolio to market in those subsidiaries engaged in proprietary trading.

The Group did not have any major exposure to the downstream oil sector. Exposures to middle market names and other large exposures to the oil and gas service industry are being kept under close radar for proactive monitoring with the view to ensure good performance. The Group will continue to set prudent concentration limits and monitor adherence.

The naira remained relatively stable and reduced the exchange rate risk in the portfolio. Across the Group, we have identified the market risk sources in the banking and trading books and have ensured they are properly mitigated and monitored. We will also work at completing implementation of the Basle 2 framework and use it to determine economic capital adequacy in line with best practice.

A significant milestone in the socio-political terrain was recorded in the year, as the Federal Government of Nigeria commenced discussion with the Niger Delta militant groups, and granted amnesty to those who have taken advantage of the offer and resettled displaced persons. The negotiation is still in progress and relative peace is being restored in the polity.

The general security situation remains an area of concern, and with a view to minimising operational losses, the FirstBank Group has continued to strengthen control mechanisms for curbing robbery attacks on banks, technology fraud carried out on the electronic banking platform, operational lapses and customer complaints.

Operational risk is managed within acceptable levels through appropriate management focus and resources.

In line with international best practice, we continue to ensure that our policies and operational guidelines are not only geared towards the effective management and control of identifiable legal risks but are also designed to enable the Group and its officers to appreciate legal constraints relating to business activity and structure transactions appropriately.

FirstBank, in furtherance of its Information Security Risk Management integrated approach, has adopted the ISO 27001 standard, which has a fundamental objective to ensure the confidentiality, integrity and availability of its information assets.

The Information Security Forum (ISF) has been set up, bringing management staff together to deliberate on security trends and emerging issues. The ISF is assigned the responsibility of establishing and maintaining organisation-wide information security (policy, standards and procedures) and ensuring staff compliance with these standards.

The FirstBank Group has consistently promoted a strong compliance culture, through submission of regulatory reports and adherence to operative guidelines.

FirstBank has confirmed its commitment to environmental and social responsibility and sustainability and has adopted the Equator Principles (EP). The value in doing this is that it allows all potential levels of impact of a project to be assessed holistically, rather than just the financial risk that a bank would normally consider.

Following this introduction is our enterprise risk management framework, which highlights key risk areas (credit, market and liquidity, operational, legal, information security and compliance). The purpose is to give a clear view of the major risks we believe are faced by the FirstBank Group and the role of the Board and Management in managing these risks. We will continue to aim at maintaining a balance between providing useful information that enhances transparency and our responsibility to protect customer and counterparty information/data.

The disclosures in this report are a demonstration of our commitment to sound corporate governance, which remains a thrust for the FirstBank Group.

Remi Odunlami
Chief Risk Officer

2 ENTERPRISE RISK MANAGEMENT FRAMEWORK

2.1 Risk management philosophy

The key elements of the Bank's risk management philosophy are the following:

2.1.1 the Bank considers sound risk management to be the foundation of a long-lasting financial institution;

2.1.2 the Bank continues to adopt a holistic and integrated approach to risk management and, therefore, brings all risks together under one or a limited number of oversight functions;

2.1.3 risk officers are empowered to perform their duties professionally and independently without undue interference;

2.1.4 risk management is governed by well-defined policies which are clearly communicated across the Bank;

2.1.5 risk management is a shared responsibility. Therefore, the Bank aims to build a shared perspective on risks that is grounded in consensus;

2.1.6 the Bank's risk management governance structure is clearly defined;

2.1.7 there is a clear segregation of duties between market facing business units and risk management functions;

2.1.8 risk-related issues are taken into consideration in all business decisions. The Bank shall continue to strive to maintain a conservative balance between risk and revenue considerations;

2.1.9 risks are reported openly and fully to the appropriate levels once they are identified;

2.1.10 risk officers work as allies and thought partners to other stakeholders within and outside the Bank and are guided in the exercise of their powers by a deep sense of responsibility, professionalism and respect for other parties; and

2.1.11 all subsidiaries are guided by the principles enshrined in the risk management policies of the Bank.

2.2 Risk culture

2.2.1 the Board and management consciously promote a responsible approach to risk and ensure that the long-term survival and reputation of the Bank are not jeopardised while expanding the Bank's market share;

2.2.2 the responsibility for risk management in the Bank is fully vested in the Board of Directors which in turn delegates such to senior management;

2.2.3 the Bank pays attention to both quantifiable and unquantifiable risks;

2.2.4 the Bank's management promotes awareness of risk and risk management across the Bank; and

2.2.5 the Bank avoids products, markets and businesses where it cannot objectively assess and manage the associated risks.

2.3 Risk appetite

The Bank's risk appetite is set by the Board of Directors annually, at a level that minimises erosion of earnings or capital due to avoidable losses in the banking and trading books or from frauds and operational inefficiencies.

The Bank's appetite for risk is governed by the following:

2.3.1 High-quality risk assets measured by three key performance indicators:

i. ratio of non-performing loans to total loans;

ii. ratio of loan loss expenses to interest revenue; and

iii. ratio of loan loss provision to gross non-performing loans.

The broad objective is to be among the top three banks with respect to (i) and (ii) above and for (iii) maintain a ratio that ensures that there are adequate provisions for all non-performing assets based on their levels of classification.

2.3.2 Diversification targets are set for the credit portfolio and limits are also set for aggregate large exposures.

2.3.3 Losses due to frauds and operational lapses are pegged at a maximum of a specified percentage of gross earnings and in any case must be lower than the industry average.

2.3.4 Financial and prudential ratios targets are pegged at a level more conservative than regulatory requirements and better than the average of benchmark banks. These include liquidity ratios, deposit concentration limits and open position limits.

2.3.5 The Bank aims at minimising the following independent indicators of excessive appetite for risk:

i. exception reporting by internal control officers, auditors, regulators and external rating agencies;

ii. adverse publicity in local and international press;

iii. frequent litigations;

iv. payment of fines and other regulatory penalties; and

v. above average level of staff and customer attrition.

2.3.6 The Bank will not compromise its reputation through unethical, illegal and unprofessional conduct. The Bank also maintains zero appetite for association with disreputable individuals and entities.

2.4 Risk oversight

The Bank's risk management directorate ('the Directorate') provides central oversight of risk management across the Bank and its subsidiaries to ensure that the full spectrum of risks facing the Bank and the Group are properly identified, measured, monitored and controlled to minimise adverse outcomes. The Directorate is, however, complemented by other departments in the management of certain important risks as illustrated opposite.

Risk management responsibilities and functions

The Directorate coordinates the monitoring and reporting of all risks across the Bank and its subsidiaries. The Directorate is headed by a skilled and highly competent Executive Director.

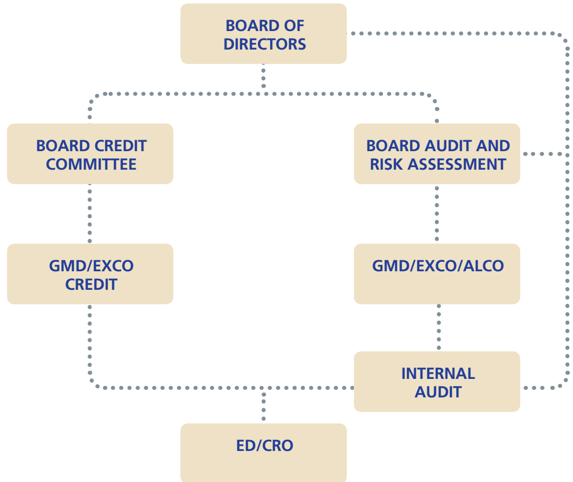
Internal Control Division performs first level and continuous independent verification/testing of control measures put in place to manage all risks across the Group.

Without prejudice to the above, Internal Audit has the responsibility of auditing the risk management function to ensure that all units charged with risk management perform their roles effectively on a continuous basis. Internal Audit also tests the adequacy of internal controls and makes appropriate recommendations where weaknesses are identified with the view of strengthening the Group's risk management framework.

2.5 Risk Management Governance Framework

FirstBank's Risk Management Governance Framework is outlined in the diagram below.

Risk Management Governance Framework



2.6 Roles of Board of Directors and Executive Management

2.6.1 Board of Directors

i. approve and periodically review risk strategy and policies;

ii. approve the Group's risk appetite annually and monitor the Bank's risk profile against this appetite;

iii. ensure executive management takes steps necessary to monitor and control risks;

iv. ensure that management maintains an appropriate system of internal control and reviews its effectiveness;

v. ensure risk strategy reflects the Group's tolerance for risk;

vi. ensure that the Group's overall credit risk exposure is maintained at prudent levels and consistent with the available capital;

vii. review and approve changes/amendments to the risk management framework;

viii. review and approve risk management procedures and control for new products and activities;

ix. periodically receive risk reports from the management highlighting key risk areas, control failures and remedial action steps taken by the management. This is done at least once every quarter;

x. ensure that the management as well as individuals responsible for credit risk management possess the requisite expertise and knowledge to accomplish the risk management function;

xi. ensure that the Group implements a sound methodology that facilitates the identification, measurement, monitoring and control of risk;

xii. ensure that detailed policies and procedures for risk exposure creation, management and recovery are in place; and

xiii. appoint credit officers and delegate approval authorities to individuals and committees.

2.6.2 Board Committees

The above responsibilities of the Board of Directors are discharged primarily by two committees of the Board, namely:

i. Board Audit and Risk Assessment Committee

ii. Board Credit Committee.

Without prejudice to the roles of these committees, the full Board retains ultimate responsibility for risk management.

2.6.2.1 Board Audit and Risk Assessment Committee

The primary role of the Committee is to report to the Board and provide appropriate recommendations on matters relevant to risk management and internal audit. The Committee is made up of two executive and three non-executive directors, with a non-executive director as Chairman. The Chief Risk Officer (CRO) reports to this Committee and is a non-voting member.

2.6.2.2 Board Credit Committee

The Board Credit Committee ensures effective management of credit risk by the Bank and its subsidiaries. It is also responsible for approving the following:

i. credit risk management strategy, policies and standards;

ii. credit products, processes and approving authorities;

iii. credit risk appetite and limits; and

iv. credit requests above EXCO (Credit) level, including those going to the full Board as a recommendation.

This Committee is made up of the Group Managing Director/Chief Executive, all the executive directors and five non-executive directors. The Chairman is a non-executive director.

2.6.3 Executive Committee (EXCO)

For all categories of risk, the Executive Committee is responsible for formulating policies, monitoring implementation and reviewing risk reports for presentation to the Board/Board committees as well as implementing Board decisions across the Bank.

To be more specific, the management of the Bank and its subsidiaries is responsible for the following:

i. implementation of risk strategy approved by the Board of Directors;

ii. developing policies and procedures for identifying, measuring and controlling risk;

iii. providing appropriate resources to evaluate and control risk;

iv. reviewing risk reports on a regular and timely basis; and

v. providing all reports required by the Board and its committees for the effective performance of risk management oversight functions.

2.6.3.1 Executive Committee (Credit)

It is the responsibility of this Committee to:

i. establish and maintain an effective risk management environment in the Group;

ii. review proposals in respect of credit policies and standards and endorse them to the Board of Directors for approval;

iii. define the Group's risk and return preferences and target risk portfolio;

iv. monitor on an ongoing basis the Group's risk quality and performance, review periodic credit portfolio reports and assess portfolio performance;

v. define credit approval framework and assign credit approval limits in line with the Bank's policy;

vi. review defined credit product programmes on recommendation of the Head, Credit Risk Management (CRM) and endorse to the Board of Directors for approval;

vii. review credit policy changes initiated by the management of the Bank and endorse to the Board of Directors for approval;

viii. ensure compliance with the Bank's credit policies and statutory requirements prescribed by the regulatory/ supervisory authorities;

ix. approve credit facility requests within limits defined by FirstBank's credit policy, and within the statutory requirements set by the regulatory/supervisory authorities;

x. review and recommend to the Board Credit Committee facilities beyond management approval limits;

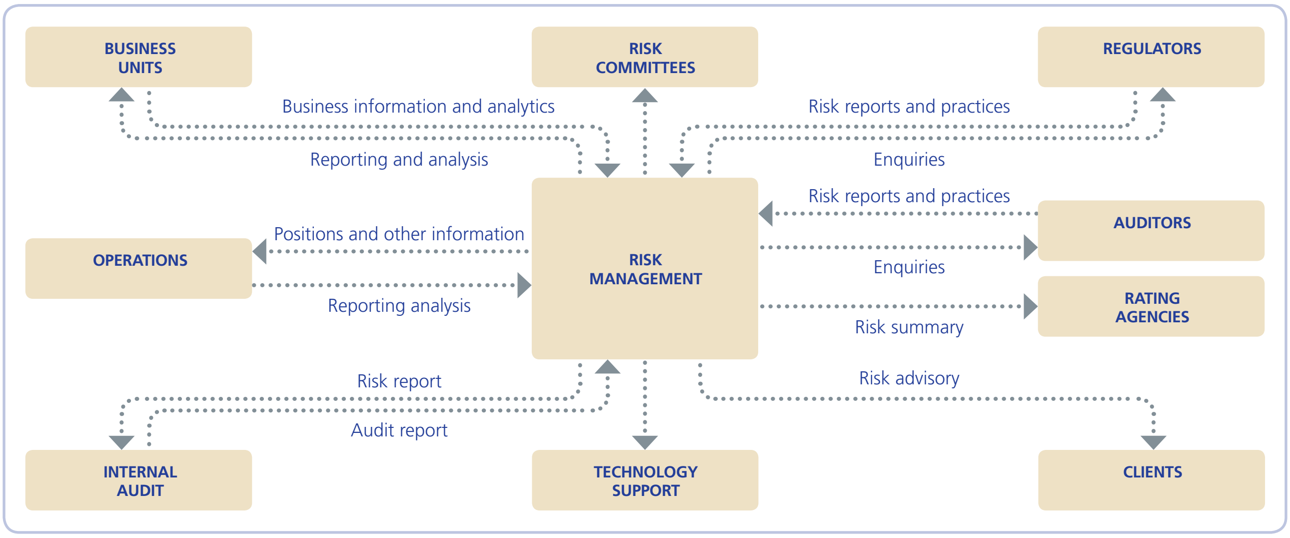
xi. review monthly credit portfolio reports and assess portfolio performance;

xii. request rapid portfolio reviews or sector/industry reviews from CRM where deemed appropriate; and

xiii. approve exceptions/write-offs, waivers and discounts on non-performing credit facilities within specified limits.

2.7 Relationship of Risk Management with other Units

The relationships between the Risk Management Directorate (RMD) and other sections of the Group are highlighted below:



i. sets policies and defines limits for other units in the Bank;

ii. performs bankwide risk monitoring and reporting, and provides framework for management of risk;

iii. other units provide relevant data to risk management for risk identification, monitoring and reporting, while RMD provides a framework for managing such risks;

iv. collaborates with market facing units in designing new products;

v. coordinates activities with internal audit to provide a holistic view of risks across the Group;

vi. makes recommendations with respect to capital allocation, pricing and reward/sanctions based on risk reports; and

vii. collaborates with information technology support group to provide relevant automated credit operations process, such as credit scoring, loss databases, loan origination and management systems, etc.

3 CREDIT RISK MANAGEMENT

3.1 Overview

Credit risk management verifies and manages the credit process from origination to collection. In designing credit policies, due consideration is given to the Bank's commitment to:

i. create, monitor and manage credit risk in a manner that complies with all applicable laws and regulations;

ii. identify credit risk in each investment, loan or other activity of the Bank;

iii. utilise appropriate, accurate and timely tools to measure credit risk;

iv. set acceptable risk parameters;

v. maintain acceptable levels of credit risk for existing individual credit exposures;

vi. maintain acceptable levels of overall credit risk for the Bank's portfolio;

vii. coordinate credit risk management and other risks inherent in the Bank's business activities; and

viii. set remedial and recovery actions.

3.2 Authority and responsibility

Final authority and responsibility for all activities that expose the Bank to credit risk rests with the Board of Directors. The Board, however, may delegate this authority to the Board Credit Committee, the Executive Committee (Credit), the CRO or other officers with credit risk management responsibilities.

3.3 Credit philosophy

The following principles guide credit risk management across the Bank. The Bank shall:

i. deliberately manage its risk asset portfolio to ensure that the risk of excessive concentration to any industry, sector or individual customer is minimised, as well as ensure portfolio flexibility and liquidity;

ii. ensure that exposures to any industry or customer are determined by the regulatory guidelines, clearly defined internal policies, debt service capability and balance sheet management guidelines;

iii. extend credit to only suitable and well-identified customers and never where there is any doubt as to their ethical standards and record;

iv. never extend credit where the source of repayment is unknown or speculative nor where the purpose/ destination of funds is undisclosed;

v. never take a credit risk where ability of the customer to meet obligations is based on the most optimistic forecast of events. Risk considerations shall have priority over business and profit considerations;

vi. ensure that the primary source of repayment for each credit is from an identifiable cash flow from the counterparty's normal business operations or other financial arrangements. The realisation of security remains a fall-back option;

vii. adopt a pricing model that reflects variation in the risk profile of various exposures to ensure that higher risks are compensated by higher returns;

viii. ensure that products to be sold in the retail market are backed by approved product programmes;

ix. ensure that the quantum of exposure and quality and value of collateral required are determined based on the risk profile of the counterparty;

x. avoid all conflict of interest situations and report all insider-related credits to appropriate bodies; and

xi. ensure that there are consequences for non-compliance with the Bank's credit policies.

3.4 Responsibilities and functions of key stakeholders in the credit process

Credit Analysis and Processing (CAP) is responsible for the appraisal of credit requests and processing through to final decision.

Specialised Lending Department (SLD) was set up to take advantage of growing opportunities in project financing of all types and real estate developments across various sectors of the economy. This is in order to build capacity in the understanding and assessment of credit proposals in these areas.

Apart from project finance, SLD is also responsible for the appraisal and processing of credits such as credit programmes in conjunction with Products and Channels Division, credits to financial institutions, restructuring of impaired assets (sub-standard or doubtful) and public sector transactions (excluding cooperative societies of civil servants).

Credit Risk Management (CRM) is responsible for the planning of the credit portfolio, the monitoring of loans on an obligor and portfolio basis as well as the reporting of these to Management and the Board. It is also responsible for controlling and ensuring that conditions set out for obligors are met before disbursement of funds. CRM has ownership of all rating systems/scorecards and recommends and monitors the credit risk appetite for the year and reports periodically to the Board and the Management. CRM also manages the Retail Collections Unit responsible for calling retail customers with past due obligations of 1–59 days to promptly correct irregularities detected on these category of accounts.

Classified Assets Management (CAM) is responsible for the recovery of classified loans that are 360 days past due and the provision of strong support to recovery units with the business development officers recovery teams on other accounts.

The above structure ensures the separation of policy, monitoring, reporting and control functions from credit processing functions, thus ensuring sound credit governance.

3.5 Internal ratings scale

In measuring credit risk of loan and advances to customers and to banks at a counterparty level, the Group reflects the following components: (i) the character and capacity to pay of the client or counterparty on its contractual obligations; (ii) current exposures to the counterparty and its likely future development; (iii) credit history of the counterparty; and (iv) the likely recovery ratio in case of default obligations – value of collateral and other ways out.

The Group's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class. This means that, in principle, exposures migrate between classes as the assessment of their probability of default changes. The rating tools are reviewed and upgraded when necessary. The Group regularly validates the performance of the rating and their predictive power with regard to default events.

3.5.1 Obligor Risk Rating (ORR) system

The obligor risk rating grids have a minimum of eight risk buckets to provide a pre-set, objective basis for making credit decisions.

Each risk bucket may be denoted alphabetically and range of scores as follows:

DESCRIPTION	RATING BUCKET	RANGE OF SCORES			GRADE
Extremely low risk	AAA	1	1.00 – 1.99	90–100%	Investment
Very low risk	AA	2	2.00 – 2.99	80–89%	
Low risk	A	3	3.00 – 3.99	70–79%	
Acceptable risk	BBB	4	4.00 – 4.99	60–69%	
Moderately high risk	BB	5	5.00 – 5.99	50–59%	Non-investment
High risk	B	6	6.00 – 6.99	40–49%	
Very high risk	CCC	7	7.00 – 7.99	30–39%	
Extremely high risk	CC	8	8.00 – 8.99	0–29%	

3.5.2 Collateral Risk Rating (CRR)/Facility Risk Rating (FRR)

- The Bank does not lend to speculative grade obligors, on an unsecured basis. The Facility Risk Rating (FRR) is different from the Obligor Risk Rating (ORR) to the extent of the perceived value of enhancement provided.
- The Collateral Risk Rating grid indicates the acceptable collateral types rated 1–8 from best to worst in order of liquidity.

COLLATERAL TYPE	CRR
Cash/treasury bills	1
Marketable securities, guarantee/receivables of investment grade banks and corporates	2
Enforceable lien on fast-moving inventory in bonded warehouses	3
Legal mortgage on residential business real estate in prime locations A & B	4
Legal mortgage or debenture on business premises, factory assets or commercial real estates in locations A & B	5
Equitable mortgages on real estates in any location	6
Letters of comfort or awareness, guarantee of non-investment grade banks and corporates	7
Hypothecation, negative pledge, personal guarantee, clean	8

The Security Grouping Matrix places the ORR against the CRR, and indicates the level of approval that would be required for each mix.

The Facility Risk Rating (FRR) calculation is as follows:

- FRR (investment grade obligors):
  - For all ORR 1 – 4, FRR = ORR.
  - Except where CRR < ORR, FRR = CRR (e.g., if a 'BBB' rated obligor gives stocks, FRR will be 2 not 3). The rationale for this rule is to recognise the value of liquid collateral/enhancement, such as cash, marketable securities and receivables of investment grade banks/corporates.
- FRR (non-investment grade obligor, depending on collateral provided):
  - For all ORR > 4 with CRR < = 2, the FRR = CRR (e.g., if 'BB' rated obligor gives cash, FRR will be 1, considering the value of collateral provided).
  - For all ORR > 4 with CRR > 2, the FRR = (ORR + CRR) / 2 (e.g., if a 'B' rated obligor give a debenture over assets, FRR will be 5).

3.6 Risk limit control and mitigation policies

The industry and portfolio limits are set by the Board of Directors on the recommendation of the ED/Chief Risk Officer. Credit Risk Management monitors compliance with approved limits.

3.6.1 Portfolio limits

The process of setting the limits is as follows:

- The Bank engages in a detailed portfolio plan annually. In drawing up the plan, the Bank reviews the macro-economic factors, identifies the growth sectors of the economy and does a risk rating of the sectors to determine its acceptable target market industries and exception. The Bank's target loan portfolio is then distributed across acceptable target market industries, strategic business unit and approved product programmes.
- Aggregate large exposure limit of not more than 400% of Bank's shareholders' funds.
- Industry/economic sector limits are imposed on the Bank's lending portfolio, in line with the following policies:
  - The Bank's target market are companies operating in industries rated 'BB' or better unless on an exception basis.
  - The Bank would not have more than 20% of its portfolio in any group of positively correlated industries in terms of risk (e.g., oil exploration and oil service, tyre manufacturing and tyre distribution).
  - The Bank would strive to limit its exposure to any single industry to not more than 15% of its loan portfolio and such industry must be rated 'BBB' or better.
  - No more than 10% of the Bank's portfolio would be in any industry rated 'BB'.

3.6.2 Geographic limits

- Presently, the Bank does not have any exposure to counterparties domiciled outside Nigeria. Such exposures are taken by its subsidiary in the United Kingdom, which operates within country limits defined by its Board of Directors. However, the Bank has a fully developed country risk rating system, that could be employed, should the need arise. In such eventuality, limits will be graduated on country risk rating.

3.6.3 Single obligor limits

- Limits are imposed on loans to individual borrowers. The Bank as a matter of policy does not lend above its Regulatory Lending Limit, which is 20% of its shareholders' funds unimpaired by losses. The internal guidance limit is however set at 15% of SHF to create a prudent buffer.
- Also, the Bank will not ordinarily advance beyond 50% of customers' shareholders' fund/net worth in cases of loans offered under individual assessment.
- Product programmes contain guidelines on single obligor limits.
- Except with the approval of the Board of Directors, the Bank shall not lend more than:
  - 20% of the Bank's shareholder's funds to any company. Only companies rated 'A' or better may qualify for this level of exposure.
  - No single retail loan should amount to more than 0.2% of total retail portfolio.
  - No single retail loan should amount to more than 0.5% of the related retail product portfolio.

The Group also sets internal credit approval limits for various levels in the credit process and these are shown in the table below:

APPROVAL LEVEL	LIMIT (₦) Investment grade (ORR)	LIMIT (₦) Non-investment grade (ORR)
Board of Directors	ABOVE 14,000,000,000	ABOVE 4,000,000,000
Board Credit Committee	14,000,000,000	4,000,000,000
Executive Committee Credit	9,300,000,000	774,000,000
Group Managing Director, Line Executive Directors and Chief Risk Officer	1,500,000,000	155,000,000
Chief Risk Officer, Line Executive Director and Business Development Manager	1,200,000,000	131,000,000
Line Executive Director, Business Development Manager and 1 Credit Officer	540,000,000	85,000,000
Business Development Manager and 2 Credit Officers	50,000,000	50,000,000

Approval limits are set by the Board of Directors and reviewed from time to time as the circumstances of the Group demand. Exposure to credit risk is also managed through regular analysis of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

3.7 Classification and provisioning policy

Provision is made in accordance with the *Prudential Guidelines for Licensed Banks* issued by the Central Bank of Nigeria for each account that is not performing in accordance with the terms of the related facility as follows:

CLASSIFICATION	PAST DUE OBLIGATION	PROVISION
Performing	<1–89 days	1%
Sub-standard	>90–179days	10%
Doubtful	>180–359 days	50%
Lost	>360 days	100%

3.7.1 Write-off and recoveries

After full evaluation of a non-performing exposure, in the event that either one or all of the following conditions apply, such exposure shall be recommended for write-off:

- Continued contact with customer is impossible.
- Recovery cost is expected to be higher than the outstanding debt.
- Amount obtained from realisation of credit collateral security leaves a balance of the debt.
- It is reasonably determined that no further recovery on the facility is possible.

All credit facility write-offs shall require endorsement at the appropriate level as defined by the bank. Credit write-off approval shall be documented in writing and properly initialled by the approving authority.

Whenever amounts are recovered on previously written-off credit exposures, such amount recovered is recognised as income on a cash basis only.

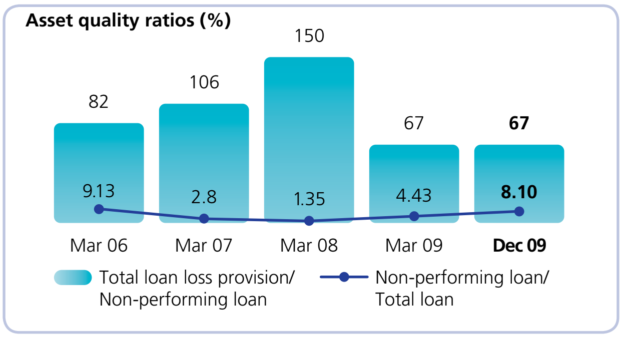
3.8 Portfolio ratios

3.8.1 Asset quality ratios

Non-performing accounts have been recognised, classified and provisions made as appropriate in line with the prudential guidelines, giving a loan loss coverage of 67% (see chart below). Provisions required by Central Bank of Nigeria as a consequence of the special examination conducted in the year have also been recognised. Non-performing loans/total loans ratio for the period was 8.10%, mainly due to the recognition and classification of weak and impaired assets in the portfolio.

Non-performing exposures are defined as exposures with past due obligations >90 days. Loans move from performing status to sub-standard, doubtful and lost, depending on objective criteria based on the number of days past due as shown below.

	DECEMBER 09 (₦'MN)
Performing	1,019,936
Non-performing	
– Sub-standard	15,144
– Doubtful	30,812
Lost	35,116
Interest in suspense	7,434
TOTAL	**1,108,442**



3.8.2 Performing but past due loans

Loans and advances less than 90 days past due are considered performing, unless other information is available to indicate the contrary. Gross amount of loans and advances by class to customers that were past due but performing are as follows:

AT 31 DECEMBER 2009	RETAIL (₦'MN)	CORPORATE (₦'MN)	SME (₦'MN)	FI (₦'MN)	TOTAL (₦'MN)
Past due up to 30 days	24,140	26,194	7,819	5,533	63,686
Past due 30–60 days	8,621	9,355	2,792	1,976	22,744
Past due 60–90 days	34,677	38,118	11,035	7,493	91,323
	67,438	73,667	21,646	15,002	177,753

3.8.3 Non-performing loans distribution by Industry

INDUSTRY	EXPOSURE (₦'MN) DECEMBER 09	% OF NPL
Asset management	16,061	18.15
Personal and professional	13,701	15.48
Commercial non-residential	13,239	14.96
Retail others	9,045	10.22
Distributive trade (general commerce)	4,894	5.53
O&G services	6,601	7.46
Utility – private	4,566	5.16
O&G marketing	5,538	6.26
Commercial residential	2,597	2.93
Construction	2,284	2.58
Manufacturing – basic metal	1,261	1.43
Owner occupier	1,072	1.21
Manufacturing – paper and paper products	918	1.04
Education	483	0.55
Other financial institutions	400	0.45
Subtotal	**82,660**	**93.40**
Others	**5,846**	**6.60**
TOTAL	**88,506**	**100**

3.8.4 Non-performing loans by geography

REGION	EXPOSURE (₦'MN) DECEMBER 09	% OF NPL	% OF PORTFOLIO
Lagos	56,465	63.8	5.1
South	17,716	20.0	1.6
West	7,610	8.6	0.7
North	6,715	7.6	0.6
TOTAL	**88,506**	**100**	**8.0**

3.8.5 Portfolio distribution by business lines

The consumer and retail segments contributed 42% of loan portfolio as at December 2009 compared to 50% as at March 2009.

BUSINESS LINES	DECEMBER 09 (₦'BN)	% OF PORTFOLIO
Government	71	6
Financial institutions	338	31
Corporates	296	27
Retail	282	25
Consumer	113	10
SME	8	1
Total	**1,108**	**100**

3.8.6 Portfolio distribution by sector

INDUSTRY	EXPOSURE DECEMBER 09 (₦'MN)	% OF PORTFOLIO
Agriculture	7,488	0.68
Oil and gas	169,441	15.29
Manufacturing	111,240	10.04
Construction	6,703	0.60
Real estate	105,635	9.53
Utilities	5,483	0.49
General commerce	63,748	5.75
Transport	8,295	0.75
Communication	55,841	5.04
Finance and insurance	338,426	30.53
Consumer	71,881	6.48
Retail services	93,186	8.41
Public sector*	71,074	6.41
Total	**1,108,442**	**100**

*Portfolio was within regulatory limit of 10% and internal limit of 8%.

3.8.7 Top 20 obligors: Distribution by industry and industry rating

INDUSTRY	INDUSTRY RATING	EXPOSURE (₦'BN)	% OF PORTFOLIO
Oil and gas services	BB	88	8
Public sector	B	50	5
Conglomerate	B	22	2
Telecommunications	BB	18	2
Asset management	B	17	1
Telecommunications	BB	16	1
Commercial non-residential	B	13	1
Commercial residential	B	13	1
Logistics	BB	12	1
Owner occupier	BB	11	1
Telecommunications	BB	10	1
Asset management	B	9	1
General commerce – automobile	CCC	8	1
Public sector	B	8	1
Asset management	B	8	1
Oil and gas marketing	BBB	6	1
Hotels and leisure	B	6	1
Asset management	B	6	1
Public sector	B	6	0
Commercial non-residential	BB	5	0
Subtotal		**332**	**30**
Others		**776**	**70**
Total		**1108**	**100**

In line with section 20(1)A of the Bank and Other Financial Institutions Act (BOFIA) as amended, the Bank requested and was granted an exemption from compliance with single obligor limit requirement on facilities granted to a customer in the oil and gas services industry. The Bank is taking appropriate steps to regularise the position by 31 March 2010.

3.8.8 Portfolio distribution by risk rating

RISK RATING CATEGORY	INDUSTRY RATING	EXPOSURE (₦'BN) DECEMBER 09	% OF PORTFOLIO
Extremely low risk	AAA	0	0
Very low risk	AA	54	5
Low risk	A	24	2
Acceptable risk	BBB	234	21
Moderately high risk	BB	188	17
High risk	B	607	55
Very high risk	CCC	0	0
Extremely high risk	CC	0	0
High likelihood of default	C	0	0
TOTAL		**1,108**	**100**

WARR stood at BB (5.65), which is the limit of the Board-approved target.

3.9 Margin trading facilities/loans secured by shares

i. Exposure secured by shares (quoted and unquoted) stood at ₦53 billion, which represents 5% of total loan portfolio (TLP). However, exposure against quoted shares was ₦38 billion and accounts for 3% of total loan portfolio. There is a freeze on lending against shares and so new lines were not approved in the period under review.

ii. As a result of a significant drop in prices of quoted stock in the year, total value of shares (quoted and unquoted) held as collateral on the total portfolio was ₦48.51 billion with portfolio coverage of 89.7%.

iii. ₦17.60 billion or 32% of total exposure is secured by an unquoted stock with portfolio coverage of 119.32%. FirstBank exceptionally accepted the unquoted shares of a large telecommunications company as partial security for loans to investors in its private placement. Although the stock is not listed, liquidity risk is fair in over the counter (OTC) trading. All facilities have adequate margin coverage either in cash or quoted shares, and have not been affected by the drastic drop in prices of shares quoted on the Nigerian Stock Exchange.

iv. Non-performing accounts have been classified in accordance with the *Prudential Guidelines*.

v. Remedial strategy on the portfolio is to recover past due obligations on non-performing accounts, restructure performing exposures against realistic cashflows, and pursue gradual workout.

3.9.1 Oil and gas facilities

- Exposure to the oil and gas sector stood at ₦169 billion, representing 15% of total loan portfolio (TLP) with 96% of the portfolio performing.
- This sector remains an area of growth for the Group, and transactions that meet our risk acceptance criteria will be consummated. We will, however, ensure that attendant risks are identified, mitigated and proactively monitored. Weak assets will also be recognised in line with the provisions of the prudential guidelines.

3.10 Credit risk management outlook

The global economic crisis has translated into sharp declines in asset values/quality, economic activity, abrupt loss of liquidity, extreme volatility and instability throughout the financial system. Notwithstanding, we will continue to focus on the growth sectors of the economy through strategic portfolio planning, supported by sound risk identification, measurement, control, monitoring and reporting.

We will ensure that asset quality is not compromised through constant review of our risk appetite definitions and risk acceptance criteria. The level of risk asset growth is also expected to reduce relative to prior periods. Therefore credits will only be extended to suitable and well-identified customers.

The credit process will be enhanced to address prevailing challenges, while credit models will be subjected to periodic validation for the purpose of obtaining necessary assurances. Portfolio stress tests will be adopted as appropriate, to consider implications of scenarios that may seem relatively unlikely but could pose serious risks to the institution if they crystallise. The SAS risk management module and business analytics will be a useful tool in this regard to develop models and test and validate different business scenarios.

We will continue to strengthen specialised lending, credit analysis and credit monitoring through both internal and external trainings.

4 MARKET RISK MANAGEMENT

4.1 Overview

Market risk is the exposure to an adverse change in the market value of our trading and investment positions caused by a change in prices and rates.

Such positions result from market making, proprietary trading, underwriting and investing activities.

The market risk factors are foreign exchange rates, commodity price, interest rates, and equity prices.

Each market risk category the Bank is exposed to daily is described below:

- Foreign exchange risks arise from exposures to changes in spot and forward rates and volatilities of the exchange rates.
- Interest rate risks result from exposures to changes in the level and shape of the yield curve, the volatility of interest rates and credit spreads.
- Equity price risks result from exposures to the changes in prices and volatilities of individual equities.

4.2 Market risk structure and framework

The Bank ensures that all the market risk exposures are consistent with its business strategy and within its risk tolerance. The goals of the Bank are principally to:

i. define the Bank's market risk appetite;

ii. ensure that the Bank's overall market risk exposure is maintained at levels consistent with the available capital; and

iii. ensure that management and individuals responsible for market risk management possess sound expertise and knowledge to accomplish the risk management function which involves establishing stable and reliable methodologies for identifying, measuring, controlling, monitoring and reporting market risk in a consistent manner across the businesses within the Bank.

4.3 Market risk governance

Regular market risk reports are presented to the Board Audit and Risk Management Committee (BARAC) and the Assets and Liabilities Management Committee (ALCO).

BARAC and the full Board are responsible for the following:

i. approval of market risk management framework, policies, strategies, guidelines and philosophy;

i. provision of Board oversight for the implementation of market risk management policies; and

iii. approval of market risks related limits for the Bank and subsidiaries.

The Assets and Liabilities Management Committee, made up of executive directors and other relevant divisional heads, is responsible for the following:

i. reviewing policies relating to market risk management;

ii. recommending market risk policies to the Board;

iii. providing management oversight for the implementation of policies relating to foreign currency rates, interest rates and equity prices' risks;

iv. reviewing market risk strategy and recommending same for Board approval;

v. developing policies, procedures, tools and systems for identifying, measuring, controlling and reporting market risks;

vi. evaluating market risk inherent in new products;

vii. ensuring compliance with statutory and regulatory requirements relating to market risks;

viii. reviewing and recommending for approval market risks related limits, i.e., position, concentration, currency, dealing gap, total portfolio and counterparty limits; and

ix. approving appointment of dealers.

The day-to-day implementation of the Bank's market risk management policies, procedures and systems is delegated to the Head of the Market and Liquidity Risk Management Department who reports to the ED/Chief Risk Officer.

The Market and Liquidity Risk Department performs the following functions:

- implementation of the framework and establishment of the market risk policy;
- definition of identification standards and independent measurement, monitoring, control and reporting of market risk;
- definition, approval and monitoring of limits;
- performance of qualitative risk assessments; and
- performance of stress tests and scenario analyses.

FirstBank is committed to managing market risks emanating from the following activities:

- Money market activities.
- Capital market activities.
- Financial intermediation activities.

Some of the Bank's subsidiaries engage in limited proprietary trading in quoted equities but there is control oversight on such exposures. In addition, each subsidiary has a risk management framework and policy that is consistent with the *Enterprise Risk Management* manual. Apart from the commodity price risks inherent in some of the credits, the Bank is not active in commodity trading.

The Bank maintains a well-articulated market risk policy, which drives the level of market risk exposures on trading and investment activities. The Bank is moving from traditional methods of market risk management (risk mitigation) to risk optimisation by linking the Bank's business strategy to its day-to-day risk exposures.

4.4 Market risk policy and strategy

FirstBank has put in place a clearly defined market risk management framework that provides the Board of Directors and Management with guidance on market risk management processes. The Bank has also prescribed tolerable market related losses, vis-à-vis the quantum of available capital and level of other risk exposures.

The Bank's market risk policy and strategy are anchored on the following:

i. product diversification which involves trading, application and investment in a wide range and class of products such as debt, equity, derivative, foreign exchange instruments, corporate securities and government securities;

ii. risk taking within well-defined limits with the sole purpose of creating and enhancing shareholder value and competitive advantage;

iii. effective utilisation of risk capital;

iv. continuous re-evaluation of risk appetite and communication of same through market risk limits;

v. independent market risk management function that reports directly to Management;

vi. robust market risk management infrastructure reinforced by a strong automated system for controlling, monitoring and reporting market risk, including transactions between the Bank and its subsidiaries;

vii. deployment of a variety of tools to monitor and restrict market risk exposures such as position limits, sensitivity analysis, ratio analysis and management action triggers;

viii. setting the internal Open Position Limit (OPL) lower than the CBN prescribed limit (currently 5% of shareholders' funds). The Bank has put in place an approval process for exceeding the internal OPL limit. However, any trading above the CBN regulated OPL limit must be approved by the Central Bank; and

ix. enforcement of market risk operating limits and other risk management guidelines that will ensure consistent compliance with OPL limit.

4.5 Value at Risk (VaR)

The Bank, during the year, improved on its use of the VaR model to estimate the potential losses that could occur on risk positions as a result of movements in market rates and prices.

VaR, in general, is a quantitative measure of market risk which applies recent historic market conditions to estimate the potential future loss in market value that will not be exceeded in a set time period at a set statistical confidence level. VaR is calculated for expected movements over a minimum of one business day and to a confidence level of 99% and a 10-day holding period. The confidence level suggests that potential daily losses, in excess of the VaR measure, are likely to be experienced three times per year in every 250 days.

The Bank uses parametric method as its VaR methodology with an observation period of two years obtained from published data from preapproved sources. VaR is calculated on the Bank's positions at close of business.

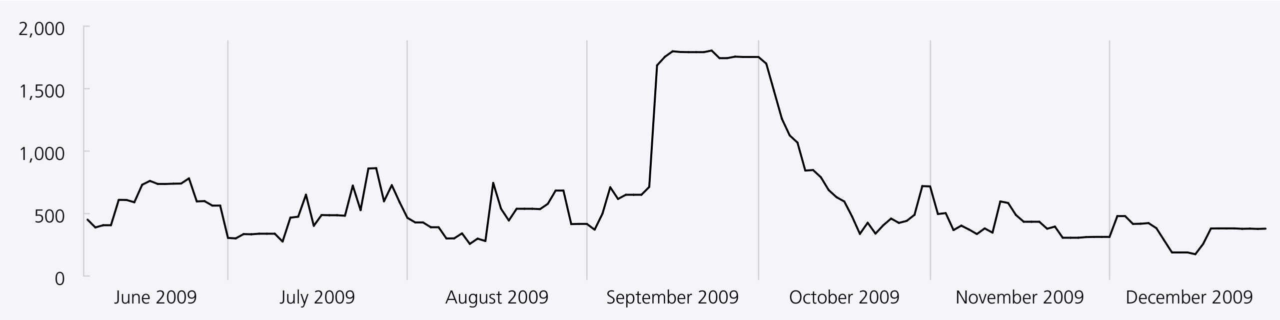
The Bank has recently deployed SAS risk management systems capabilities for a more robust market risk analysis including VAR models based on Monte-Carlo simulation. The data in the table and graph below comprise the trading VaR of the Bank. The major contributor to the trading VaR is Treasury bill owing to its observed volatility. A typical 3-month Treasury bills volatility during the period peaked at 163.98% while its average volatility during the period was 157.73%. The Bank has not adopted the use of VaR for its equity exposure as a result of low market liquidity. The bank does not trade in commodity and therefore is not exposed to commodity risk except in transactions where commodities have been used as collateral for credit transactions. The latter is covered under credit risk management.

DAILY VAR @ 99%, 10-DAY (TRADING)	AVERAGE (₦'MILLION)	HIGH (₦'MILLION)	LOW (₦'MILLION)	ACTUAL* (₦'MILLION)
Interest Rate Risk:				
Bond	100.84	247.83	1.39	75.56
T-bill	516.34	1,573.08	94.25	297.82
Foreign Exchange Risk:	8.00	32.97	1.53	5.55

*This represents actual one-day VaR as at 31 December 2009.

Daily VaR (trading) trend chart analysis

VaR (₦'m)



4.6 Stress testing

In recognition of the volatile market environment and the frequency of regulations that have had significant effect on market rates and prices, the Bank augments other risk measures with stress testing to evaluate the potential impact of possible extreme movements in financial variables on portfolio values that are rare but plausible.

Stress testing is an integral part of the market risk management framework and considers both historical market events and forward-looking scenarios. A consistent stress testing methodology is applied to trading and non-trading books.

Stress scenarios are regularly updated to reflect changes in risk profile and economic events. The ALCO has responsibility for reviewing stress exposures and, where necessary, enforcing reductions in overall market risk exposure. The stress testing methodology assumes that scope for management action would be limited during a stress event, reflecting the decrease in market liquidity that often occurs. Regular stress test scenarios are applied to interest rates, exchange rates, and equity prices. This covers all asset classes in the financial markets banking and trading books. Ad hoc scenarios are also prepared reflecting specific market conditions and for particular concentrations of risk that arise within the businesses.

4.7 Non-Trading Portfolio

The principal objective of market risk management of non-trading portfolios is to optimise net interest income. Due to the size of the Bank's holdings in rate-sensitive assets and liabilities, a major area of market risk exposures in the Bank relates to interest rate risk. Interest rate risk in non-trading portfolios arises principally from mismatches between the future yield on assets and their funding cost, as a result of interest rate changes. The Bank uses a variety of tools to measure non-tradable interest rate risk such as:

- interest rate gap analysis (which allows the Bank to maintain a positive or negative gap depending upon the forecast of interest rate position). The size of the gap is then adjusted to either hedge net interest income against changing interest rates or to speculatively increase net interest income;
- forecasting and simulating interest rate margins;
- market value sensitivity;
- calculating Earnings-At-Risk (EAR) using various interest rate forecasts; and
- re-pricing risk in various portfolios and yield curve analysis.

4.7.1 Hedged non-trading market risk exposures

The major sources of market risk in the Bank's books have been identified and are being well managed. Interest rate risk in the USD175 million subordinated debt was fully hedged with the aid of an interest rate swap with a top-rated investment bank.

The exchange rate risk associated with the EUR borrowing disbursed in dollars is being managed through an accumulator contract that will close the open position over the life of the borrowing without a loss to the Bank.

4.8 Market risk reporting

Various market risk management reports are presented on a regular basis as shown below:

- Daily market risk report: All ALCO members.
- Fortnightly market risk report: ALCO meeting.
- Monthly market risk report: ED/Chief Risk Officer.
- Quarterly market risk report: Board Audit and Risk Assessment Committee, and Board of Directors.

Generally, market risk management in the Bank is evolving very fast and there is greater emphasis on strengthening systems and people.

5 LIQUIDITY RISK MANAGEMENT

5.1 Overview

Liquidity risk relates to the risk of insufficient liquid assets to meet the Bank's obligation as they fall due or will have to meet the obligations at excessive costs.

This risk arises from mismatches in the timing of cash flows. Funding risk (a form of liquidity risk) arises when the liquidity needed to fund illiquid asset positions cannot be obtained at the expected terms and when required.

The objective of the Bank's liquidity risk management is to ensure that all anticipated funding commitments can be met when due and that access to funding sources is coordinated and cost effective.

5.2 Governance

BARAC and the full Board are responsible for the following:

i. Approval of liquidity risk management framework, policies, strategies, guidelines and philosophy

ii. Providing Board oversight for the implementation of liquidity risk management policies

iii. Approval of liquidity risk related limits for the Bank and subsidiaries.

The Assets & Liabilities Management Committee, made up of Executive Directors and other relevant Divisional Heads, is responsible for the following:

i. Review of policies relating to liquidity risk management

ii. Recommendation of liquidity risk policies to the Board

iii. Review of liquidity risk strategy and recommendation of same for Board approval

iv. Provision of management oversight on the implementation of policies relating to liquidity risk

v. Monitoring of liquidity risk inherent in the maturities mismatch of the assets and liabilities

vi. Development of policies, procedures, tools and systems for identifying, measuring, controlling and reporting liquidity risks

vii. Ensuring compliance with statutory and regulatory requirements relating to liquidity risks

ix. Review of and recommendations on liquidity risks related limits for approvals

x. Approving the stress scenarios and the assumptions of contingency funding plans.

Implementation of the Bank's market and liquidity risk management policies, procedures and systems is delegated to the Head of the Market and Liquidity Risk Management Department who reports to the ED/Chief Risk Officer.

The Bank maintains a well-articulated liquidity risk policy, which drives the level of liquidity risk exposures and determines business size and maturities.

5.3 Policies and procedures

The principal mechanism for implementing the Bank's liquidity policy is to maintain liquid assets to deposit ratio above the regulatory defined ratio of 25%.

The Bank's definition of liquid assets is more stringent than as defined by the Central Bank. While the apex bank admits federal government of Nigeria bonds as liquid assets, the Bank has stressed its liquid assets only to the portion of securities available for immediate sale and for which a deep and liquid market exists.

The liquidity ratio is interpreted in conjunction with cash flow projection and liability concentration ratios to measure the Bank's exposure to liquidity risk. The cash flow technique used is the maturity ladder which assesses all the Bank's cash inflows against its outflows to identify the potential for net shortfalls or net funding requirements.

In order to ensure compliance with liquidity levels, the Bank has pre-set liquidity gap limits. The liquidity and funding management process also includes the preparation of multi-currency balance sheets and assessing cash flows by major currencies and projecting cash flows under stress scenarios.

The Bank's use of concentration ratios prevents it from relying on limited number of depositors or funding sources.

Liquidity ratios

This is the level of liquid assets to total deposits. The level of holdings of liquid assets in the balance sheet reflects the prudent approach of the bank's liquidity policies and practice.

	DEC 2009	MAR 2009
Liquidity ratio	35.8%	47.5%

5.4 Primary sources of funding

The Bank's funding base consists of well-diversified corporate and retail deposits as well as interbank and other borrowings. Traditionally, the Bank has sought to attract lower-cost demand and savings deposits in order to keep its funding cost as low as possible and has attempted to minimise its reliance on higher cost time deposits as a significant source of funding. The Bank places considerable importance on the demand and savings deposits which form 73% of its funding base. Although these accounts are contractually repayable on demand, in reality, they are stable and have formed a core component of the Bank's liabilities. Also due to market perception of the Bank as one of the strongest banks in Nigeria, it enjoys a relatively lower cost time deposit base by attracting the retail segment whose principal consideration is the safety of their funds.

5.5 Loans to deposit ratio

The Bank emphasises the importance of core current and savings deposit accounts as a source of funds to finance lending to customers and discourage reliance on short-term wholesale funding (inter-bank borrowing and public sector fund). This is achieved by placing limits on the various Business Development Units of the Bank, which restrict their ability to increase loans and advances to customers without corresponding growth in current and savings deposit accounts. The pre-set loans to deposit ratio set and monitored by ALCO is 80%.

	DEC 2009 (₦'million)	MAR 2009 (₦'million)
Loans and advances to customers	1,022,486	684,107
Customer accounts	1,236,599	1,071,836
Advances to deposit ratio	82.69%	68.83%

5.6 Diversification policy on asset base and contingent liquidity risk management

The Bank maintains a large portfolio of tradable liquid assets in the form of Nigerian Treasury Bills and federal government of Nigeria bonds which are low in risk and can be converted in a short period of time or used to enhance the Bank's borrowing. The Bank also maintains a large portfolio of low risk assets which can be securitised and traded as off-balance sheet items. In addition, the Bank has put in place contingency funding arrangements with similar-sized Nigerian banks and maintains a standing credit facility with Central Bank of Nigeria, which can be accessed at short notice.

5.7 Market turmoil and liquidity risk position

The global financial crisis and margin lending related exposures by the banking industry continue to have adverse effects on the liquidity and funding risk profile of the banking industry. At systemic levels, these may be summarised as follows:

- Cancellation of offshore credit lines to Nigerian banks.
- Interbank funding cost increased as banks became reluctant to lend to each other, although this has been mitigated by CBN temporary guarantee of interbank deposits.
- Many asset classes primarily considered to be liquid became illiquid.
- Heavy loan loss provisioning induced by the result of CBN/NDIC Stress Test.
- The difficulty of many banks to raise wholesale deposits at reasonable cost.

In specific terms, the Bank's exposure in margin lending is relatively insignificant to the size of its loan portfolio and, therefore, its liquidity position is unaffected. Also, the strain arising from the liquidity trapped in margin lending exposures is concentrated in the interbank market where FirstBank has been a dominant net placer of funds. The retail market from which the Bank derives its current and savings deposits is relatively unaffected. The desire by most customers for flight to safety and the Bank's market perception as a stronger Bank has impacted positively on the level of deposits.

The Bank's liquidity position on the local currency is very robust. In the period under review, growth in our deposit liabilities exceeded growth in risk assets. The Bank's focus this year will remain on liability generation which will be a necessary pre-condition for significant asset growth.

Foreign currency liabilities generally fund assets in the same currency and, where tenors differ, liquidity risks are generally adjudged fair.

5.8 Market and liquidity risk reporting

Various market and liquidity risk management reports are issued on a daily, fortnightly, monthly and quarterly basis as shown below:

- Daily liquidity and market risk report: all ALCO members.
- Fortnightly ALM and market risk report: ALCO meeting.
- Monthly ALM and market risk report: ED, Risk and Mgt Control.
- Quarterly ALM and market risk report: Board of Directors.

5.9 Capital management

FirstBank's capital management approach is driven by its strategy and organisational requirements, taking into account the regulatory and commercial environment in which it operates. It is the Bank's policy to maintain a strong capital base to support the development of its business and to meet regulatory capital requirements at all times.

Through its corporate governance processes, the Bank maintains discipline over its investment decisions and where it allocates its capital, seeking to ensure that returns on investment are appropriate after taking account of capital costs.

The Bank's strategy is to allocate capital to businesses based on their economic profit generation and, within this process, regulatory and economic capital requirements and the cost of capital are key factors.

FirstBank's capital is divided into two tiers:

- Tier 1 capital comprises core equity tier 1 capital comprising ordinary shares, statutory reserves, share premium and general reserves. The book values of goodwill, intangible assets, unpublished losses and under provisions are deducted in arriving at core equity tier 1 capital.
- Tier 2 capital comprises qualifying subordinated loan capital, preference shares, general provisions, debenture stock, minority and other interests in tier 2 capital and unrealised gains arising from the fair valuation of equity instruments held as available-for-sale. Tier 2 capital also includes reserves arising from the revaluation of properties and foreign reserves.

The Central Bank of Nigeria prescribed a minimum limit of 10% of total qualifying capital/total risk weighted assets as measure of capital adequacy of banks in Nigeria. Total qualifying capital consists of tier 1 and 2 capital less investments in unconsolidated subsidiaries and associates. The total risk weighted assets reflects only credit and counterparty risk.

The Bank achieved capital adequacy ratio of 21.33% at the end of the year; a marked reduction over the 30.01% recorded for the period ended December 2009. This is attributable to 49.46% increase in net loans and advances during the year. The Bank, as a policy, works to maintain adequate capital cover for its trading activities. Though regulatory requirement is 10%, FirstBank has a minimum internal target of 16%. Current position is closely monitored and reported fortnightly to the Assets and Liabilities Management Committee.

Capital adequacy

	DEC 09	MAR 09
Capital adequacy ratio	21.33%	30.01%
Capital composition:	**₦'mn**	**₦'mn**
Tier 1		
Paid-up capital	14,504	12,432
Reserves	297,768	333,407
Tier 2		
Long-term debt stock	35,473	35,042
Reserves	5,215	13,681
Capital utilisation:	352,960	394,562
Qualifying risk weighted assets	1,655,106	1,314,877

In June 2006, the Basel Committee on Banking Supervision published *International convergence of Capital Measurement and Capital Standards*, known as Basel II. Basel II is structured around three 'pillars': minimum capital requirements, supervisory review process and market discipline. Though there has been no regulatory requirement for banks in Nigeria to comply, FirstBank has embarked a on Basel II compliance project. The successful conclusion will allow the Bank's capital measurement to reflect market and operational risk exposures on the assets of the Bank.

The Bank's initiative is in tandem with regulatory actions which embraced the framework and accordingly set up a committee called the CBN/NDIC Committee on the new accord to oversee the adoption of the capital accord. The road map for implementation has been issued in a memorandum to the Bankers' committee on the implementation of the new capital accord in Nigeria.

6 OPERATIONAL RISK MANAGEMENT

6.1 Overview

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems and external events. This definition includes legal risk but excludes reputational risk. The Bank recognises the significance of operational risk, which is inherent in all areas of our business. Operational risk is managed within acceptable levels through an appropriate level of management focus and resources.

6.2 Operational risk management framework

FirstBank is committed to the management of operational risks. The Bank's operational risk management framework aims to:

- reduce losses arising from operational risk – a key role of operational risk management in the Bank is to reduce losses from operational failure and in particular avoid potentially large or catastrophic risk losses;
- improvement in performance measurement – the Bank's improved understanding of its operational risk profile shall enable appropriate allocation of risk and economic capital to individual lines of business which would allow improved performance measurement and evaluation of activities;
- ensure better control of operations – the Bank expects that increased understanding of risk activities within various business units, the Board and senior management will lead to improvements in the control of operations and the emergence of a more proactive operational risk management culture;
- provide early warning signals of deterioration in the Bank's internal control system; and
- raise awareness of operational risk in the Bank from top to bottom through the implementation of an enterprise-wide operational risk approach.

6.3 Operational risk strategy

Failure to manage operational risk effectively often results in significant financial losses, regulatory fines or censure, reputational damage, brand erosion or even the loss of banking licence, all of which directly impact shareholder value. Accordingly, FirstBank operational risk strategy aims to minimise the impact of operational risk on its shareholders' value. In more specific terms, the Bank's strategy is to:

- reduce the likelihood of occurrence of unexpected events and related cost by managing the risk factors and implementing loss prevention or reduction techniques to reduce variation in earnings;
- minimise the impact of unexpected and catastrophic events including related costs through risk financing strategies that support the Bank's long-term growth, cash flow management and balance sheet protection; and
- make all managers responsible for the management of operational risk and thus minimise actual or potential losses. The Bank recognises that some losses, such as operational errors, are inevitable and are normal business cost; but will ensure these costs are kept within acceptable levels and potential losses are minimised.

In implementing this strategy, the Bank:

- has put in place best-practice operational risk management policies and procedures. These include toolkits to help identify, assess, control, manage and report on operational risk within the Bank;
- ensures that roles and responsibilities are agreed and clearly understood by employees at all levels;
- ensures that all staff in business and support functions are aware of their responsibilities for operational risk management;
- considers the potential operational risk impact of its activities and products at the outset with a view to minimising these as far as possible;
- has put in place structures and processes for reporting control failures to designated individuals and escalating material issues to EXCO and the Board Audit and Risk Assessment Committee;
- ensures that staff are provided with appropriate operational risk management training that is commensurate to their roles;
- establishes workable business continuity plans (including disaster recovery and crisis management procedures) that minimise the impact of unexpected and catastrophic events on business operations and customer service;
- minimises financial impact of operational losses, through management of risk factors and utilisation of insurance or other risk transfer strategies; and
- ensures that staff responsibility with respect to operational risk management is communicated through ongoing risk awareness workshops and management action.

6.4 Operational risk management philosophy and principles

The following philosophy and principles govern the management of operational risk in FirstBank:

- the Board of Directors is responsible for setting the operational risk strategy of the Bank and its implementation;
- the Board approves and periodically reviews the operational risk management framework;
- operational risk in the Bank is coordinated through a centralised and independent operational risk management function;
- ownership, management and accountability for operational risk is decentralised with business and functional units;
- there are consistent standards for defining, evaluating, measuring, monitoring and reporting operational risk;
- the Bank's operational risk management practices are in line with Basel II;
- the Bank's operational risk management practices are subject to regular independent review by internal and external auditors;
- operational risk management is governed by well-defined policies and procedures which are clearly communicated across the Bank;
- operational risk-related issues are taken into consideration in business decisions including new product and process designs;
- operational risk and loss events are reported openly and fully to the appropriate levels once they are identified; and
- adequate processes and systems for identifying, measuring, monitoring, reporting and controlling operational risks are being implemented by the Bank.

6.5 Organisation and structure

The Bank's overall approach to the management of operational risk is to create and promote a culture that emphasises effective operational risk management, adherence to operating controls and acting within the Bank's policy requirements.

The management of operational risk in the Bank is undertaken at three distinct levels, each with clearly defined roles and responsibilities as follows:

6.5.1 Board and Board Committees

See 2.6.1 and 2.6.2.

6.5.2 Senior management

At the second level is a management function performed by the Risk and Management Control (R&MC) Directorate. The Operational Risk Management Division has direct responsibility for formulating and implementing the Bank's operational risk management framework including methodologies, policies and procedures approved by the Board. The division works with the Bank's Internal Control and Internal Audit Divisions to ensure that the day-to-day operations of the Bank are in line with the approved operational risk management policies.

Operational Risk Management (ORM) Division is an independent risk management function within FirstBank. The prime responsibility for the implementation of the operational risk framework as well as the day-to-day operational risk management lies with the business divisions. Based on this business partnership model, the Division ensures close monitoring and high awareness of operational risk, which are driven across the Bank through training and strategic communication efforts.

6.6 Monitoring and managing operational risk

Several tools and techniques are deployed in managing operational risks in FirstBank. These tools and techniques incorporate risk identification, assessment of risk, implementation of adequate control measures to reduce the impact of risks, risk monitoring and reporting.

6.6.1 Delphi sessions

A type of risk self assessment which provides for brainstorming sessions during which 'experts', in this case senior personnel in business units, identify, measure and analyse the risks inherent in business units, activities and products, and draw up controls aimed at reducing the risks. This is done in collaboration with operational risk managers who coordinate the sessions.

6.6.2 Risk control self assessment (RCSA)

Risk control self assessment (also called control self assessment or CSA) is a process whereby business areas identify and evaluate the risks incurred, the level of control the area has over these risks, and action points for improvement.

The goals of the Delphi sessions and RCSA are to continuously assess changing market and business conditions and evaluate all operational risks impacting the business. The self-assessment process assists in identifying emerging operational risk issues and determining how line of business should be managed.

6.6.3 Key risk indicators (KRIs)

Key operational risk indicators have been developed and are used to help identify trends and issues at both corporate and business unit levels.

6.7 Key operational risks

Major operational risks faced by the Bank are internal fraud and armed robbery. Each incident is analysed and control failures identified and new controls designed. The Bank is also investing in enhanced physical security and collaborating with the security agencies to improve protection of branches and staff. Key counter-measures put in place include:

- enhanced staff training;
- issuance of appropriate and deterrent circulars;
- job rotation and segregation;
- dissemination of email and SMS alerts to Bank's customers for each debit on their accounts;
- imposition of stiff disciplinary measures including prosecution of fraudulent staff; and
- installation of panic alarm system, CCTVs, deadman doors, etc.

7 LEGAL RISK MANAGEMENT

7.1 Legal risk concept in FirstBank

In line with international best practice, FirstBank continues to ensure that its policies and operational guidelines are not only geared towards the effective management and control of identifiable legal risks but are also designed to enable the Bank and its officers to appreciate legal constraints upon business activity.

Legal risks may arise as result of failure or inability:

i. to mitigate the likelihood of an adverse claim being made against the Bank;

ii. to act appropriately or diligently in response to a claim against the Bank;

iii. to successfully defend a legal action against the Bank;

iv. to take action to protect the legal rights of the Bank in the law courts; and

v. to take prompt action to preserve the right of recourse to insurers in the event of any claim against the Bank.

7.2 Legal risk management structure

The Bank has a dedicated global legal function responsible for the effective management of legal risks Bank-wide. This includes the provision of legal advisory services, legal and security documentation, management of Bank litigation and debt recovery among others.

The Legal Services Department at Head Office oversees the Bank's global legal function and reports directly to the Chief Risk Officer.

For smooth and effective performance of its duties, the Legal Services Department is sub-divided into four hubs each of which is headed by a senior officer, who reports to the Head, Legal Services. The respective hubs are as follows:

i. Corporate and Contracts: ensures the proper documentation of transactions between the Bank and its corporate customers as well as the preparation and vetting of contracts between the Bank and its customers/ third parties in appropriate cases

ii. Litigation: responsible for the management and monitoring of all legal actions involving the Bank and the rendition of legal opinions in all relevant matters. The hub also has responsibility for evaluating options for out-of-court settlement of Bank's cases with a view to decongesting the Bank's litigation portfolio and reducing contingent liabilities to the barest minimum

iii. Retail and Securities: has responsibility for the documentation and perfection of the various securities used to secure credit facilities extended to Bank customers

iv. Regional Coordination/Administration: its responsibility is to coordinate and supervise all our area legal managers in the discharge of their duties in some of the Bank's Business Development Offices (BDOs) and to oversee the proper administration of the Legal Department

v. There is however a sub-hub known as Bonds and Guarantees sub-hub which is responsible for the vetting and engrossment of all bonds and guarantees issued by the Bank or accepted as security by the Bank.

7.3 Legal risk policy and reporting

It is the responsibility of the Head, Legal Services to draw the attention of management to all known potential incidents of material legal risks at an early stage with a view to ensuring that mechanisms are put in place for effective and proactive management of same.

For effective implementation of this major policy, it behoves the various departments/units of the Bank to promptly alert the Legal Services Department of any potential, actual or threatened litigation that may constitute a significant legal risk to the Bank.

In order to keep the Board of Directors abreast of details of cases involving major potential liabilities against the Bank, the Legal Services Department submits quarterly reports on pending litigation to the Board, while management is regularly updated on such cases.

8 INFORMATION SECURITY MANAGEMENT

FirstBank in furtherance of its information security risk management integrated approach has adopted the ISO 27001 standard, which has a fundamental objective to ensure the confidentiality, integrity and availability of its information assets.

Information assets are a critical asset of the Bank and require adequate protection at every point. FirstBank considers the protection of its information assets critical to its business continuity and sustenance. Information security management department has been charged with the responsibility of building an integrated information security management system that will ensure that information assets are adequately protected at all times. Commitment to this responsibility is shared by both the Board and all staff of FirstBank.

The Board has overall responsibility for managing information security through its information security management system.

FirstBank, through its information security management, is continually putting in place structures to help protect its information assets and create an assurance for investors. FirstBank recently set up its information security forum (ISF). The forum serves as a regular meeting arena for management staff to deliberate on security trends and emerging issues with assigned responsibility of establishing and maintaining organisation-wide information security (policy, standards and procedures) and ensuring staff compliance with these standards.

8.1 Risk mitigation

The major security challenge faced by the Bank this financial year was the disclosure of confidential information (PINs and passwords) by customers as a result of phishing attacks. FirstBank has taken steps to ensure that customers' accounts and confidential information are safeguarded through the following means:

- FirstBank migrated its debit card customers to EMV (chip cards).
- Introduced two factor authentication (tokens) for its internet banking customers.
- Introduced customer awareness 'Secure use of its automated teller machines (ATMs)' through the distribution of awareness posters and flyers across its branches.
- Introduced a section on security tips on the Bank's website to educate customers on safe use of internet banking services.

FirstBank will continue to improve on its information security and align its processes to international standards to ensure that its customers and staff operate in a safe and secure environment.

9 COMPLIANCE RISK MANAGEMENT

9.1 Compliance risk management philosophy, strategy and policies

Ongoing reform in the banking industry, changes to regulations and the introduction of new legislations, have placed greater emphasis on the need for formal and structured monitoring of compliance with legal and regulatory requirements. FirstBank remains committed to comply fully with both the spirit and the letter of applicable laws and regulations and to always act with care and due diligence. The risk of non-compliance with legal and regulatory requirements ranges from potential financial loss occasion from regulatory sanctions, to loss of business and/or franchise, as well as damage to the Group's reputation.

In ensuring compliance with laws and regulations, the Bank has put in place a robust compliance framework. The Compliance function, under the leadership of the Chief Compliance Officer ensures that the compliance process runs effectively, monitors to ensure that statutory and regulatory requirements are adhered to and ensures that breaches are promptly reported. The Bank has in place a comprehensive Compliance Process Manual, which is accessible to all staff through the Group's e-porter. The Manual defines the roles and responsibilities of all stakeholders in ensuring compliance with laws and regulations. The Group's compliance objectives as well as the minimum acceptable compliance standards across the Group are also specified in the Manual.

While the primary responsibility for complying with regulatory requirements lies with all members of staff conducting particular transactions or activities to which regulation applies, the Board of Directors is ultimately accountable for compliance performance.

The current regulatory regime places so much pressure on financial institutions to know their customers and implement processes for combating money laundering as well as putting in place measures aimed at understanding regulation as it affects the financial services industry and the implication for non-compliance. In this regard, FirstBank has reviewed its Anti-Money Laundering (AML)/Countering the Financing of Terrorism (CFT) Manual, incorporating new guidelines for Know Your Customer (KYC)/Know Your Customers' Business (KYB), in line with the recent CBN AML/CFT Compliance Manual. The Group has continually reviewed and analysed relevant laws and regulations, which are compiled into rule books in order to ensure business is run in line with compliance requirements.

The Compliance function operates from Head Office and some selected hubs, each of which is manned by dedicated Compliance Officers whose main job in the Bank is 'compliance'. Highlights of the scope of coverage of the Compliance function include:

- regulatory compliance;
- anti-money laundering (AML)/countering the financing of terrorism (CFT) compliance (including KYC/KYB principles); and
- corporate governance compliance monitoring.

Each and every one of the activities of the Compliance function is governed by articulated policies and process duly approved by the Board. The Group's AML/CFT regime is driven by a documented, functional AML/CFT Policies and Procedures Manual to which every member of staff has unfettered access through the Group's e-porter. As a living document, the manual is reviewed and updated regularly to reflect the dynamism and changing regulatory or environmental imperatives.

9.2 Compliance risk management governance structure

In line with international best practice, the Compliance function is responsible for ensuring that the Bank continuously manages its regulatory risk.

Regulatory risk is the risk that occurs when financial institutions do not comply with the spirit and the letter of applicable laws and regulations or supervisory requirements. The management of regulatory risk comprises ensuring compliance with all the statutory and regulatory requirements. The Compliance function is therefore responsible for ensuring compliance with all rules imposed on the business by regulators/supervisors.

Responsibility for managing compliance with internal rules created by FirstBank itself lies with the Internal Audit and Control functions. These are monitored as part of their normal duty of ensuring that an effective system of internal controls is maintained in FirstBank.

Certain internal rules are of such importance that the Executive Committee (EXCO) may require the involvement of the Compliance function for effective implementation. The Compliance function is also, to that extent, responsible for monitoring compliance with internal rules, as determined by EXCO from time to time.

The Compliance function operates independently from Internal Audit and Control functions. However, the Division leverages on the Internal Audit and Control infrastructure by administering compliance checklists on business units and branches through the independent control and normal audit procedures. These compliance reports are forwarded to the Compliance Department for review and subsequent monitoring.

9.3 Compliance risk management roles and responsibilities

Roles and responsibilities for compliance are assigned to various functions as follows:

FUNCTION	ROLE
Board of Directors	Assume overall accountability for compliance performance
Chief Executive Officer	Provides demonstrable support to the CCO with the development of a compliance culture
Executive Directors (EDs) and Executive Committee	Assume overall accountability for compliance within their Strategic Business Units (SBUs)/Strategic Resource Functions (SRFs)
CEOs of subsidiaries and their management teams	CEOs assume overall accountability for compliance within their companies and their respective management is responsible for day-to-day compliance with regulations applicable to their business
Business Unit Heads and Business Development Managers	Responsible for day-to-day compliance with regulations applicable to their business
SBU/SRF/Subsidiary Compliance Officers	Facilitate the implementation of the compliance process within their SBU/SRF/Subsidiary
Branch Managers (Branch Compliance Officers)	As the Compliance Officer of their respective branches, Branch Managers assume overall responsibility for compliance in their branches and are responsible for conducting periodic compliance reviews
All employees	Responsible for familiarising themselves with the regulatory requirements applicable to their business and ensuring that all transactions and activities in which they are involved are carried out in accordance with those regulations
Internal Control	Assists the Compliance function in the conduct of independent monitoring
Internal Audit	Provides quality assurance for the Compliance function
CCO	Responsible for the development, communication, leadership and implementation of the compliance strategy, policy, structure and process
External Audit	Responsible for reviewing the compliance risk management process as part of their statutory audit duties

9.4 Responsibilities of the Chief Compliance Officer (CCO)

The CCO takes overall responsibility for compliance issues in the Group including its Strategic Business Unit. The CCO works closely with the Chief Financial Officer (CFO) in the performance of the following specific responsibilities:

i. Assigns a robust compliance structure, process and advisory service in order to ensure line management's compliance with current laws, regulations and supervisory requirements

ii. Reports non-compliance with laws, regulations and supervisory requirements to the CE and the Board of Directors in a timely manner

iii. Provides the Board of Directors with regular information on the level of FirstBank's compliance with laws, regulations and supervisory requirements

iv. Ensures, as far as possible, that no conflicts of interest exist between the Compliance function and other internal control functions

v. Establishes compliance culture in FirstBank that contributes to the overall objective of prudent risk management

vi. Establishes effective communication with line management in order to continuously monitor compliance with laws, regulations and supervisory requirements

vii. Mandates line management to monitor compliance with laws, regulations and supervisory requirements as part of their normal operational duties

viii. Ensures that regulatory requirements are incorporated into operational procedures and manuals where appropriate

ix. Makes recommendations whenever necessary to ensure that laws, regulations and supervisory requirements are being complied with

x. Establishes effective mechanisms for reporting and resolving non-compliance with laws, regulations or supervisory requirements

xi. Documents his findings, including remedial action, as part of the compliance monitoring programme

xii. In conjunction with training and development, ensures continuous training of compliance staff on technical knowledge of regulatory framework and associated risks

xiii. Compiles and maintains comprehensive compliance manual for the Group, in conjunction with line management.

10 INTERNAL CONTROL

10.1 Internal Control concept in FirstBank

Internal Control in FirstBank refers to the overall operating framework of practices, systems, organisational structures, management philosophy, code of conduct, policies, procedures and actions, which exists in the Group and is designed to ensure:

i. that essential business objectives are met, including the effectiveness and efficiency of operations and the safeguarding of assets against losses;

ii. the reliability of financial reporting and compliance with general accounting principles;

iii. compliance with applicable laws and regulations including internal policies;

iv. systematic and orderly recording of transactions; and

v. provision of reasonable assurance that undesired events will be prevented or detected and corrected.

FirstBank is committed to creating and maintaining a world-class internal control environment that is capable of sustaining its current leadership position in the financial services industry.

FirstBank operates in an environment that is continuously exposed to uncertainties and change. Such risks may prevent the institution from achieving its strategic business objectives. To effectively manage these risks, FirstBank Group has put in place internal control measures that cover the Bank and its subsidiaries.

The Bank has also instituted an effective and efficient internal control environment that ensures minimal operational losses arising from fraud, errors, operational lapses, armed robberies, customer dissatisfaction, customer complaints and other risk exposures.

10.2 Components of FirstBank internal control environment

- A board of directors that is actively concerned with sound corporate governance coupled with effective management and control of the bank.
- An independent audit committee with strong oversight and constant monitoring of the Bank's controls.
- Executive Management that actively manages and operates the Bank in a sound and prudent manner.
- Strong organisational and procedural controls supported by an effective management information system aimed at prudent management of the Bank's exposure to risk.
- A robust independent control and audit mechanism that monitors the effectiveness and safety of all activities in the Bank.
- A functional risk management framework and structure.
- Risk recognition, assessment and management by Risk Management Directorate covering all categories of risks – credit, operational, information security, market and liquidity.

- Appropriate and standardised control activities covering all branches, departments, businesses and subsidiaries.
- Segregation of duties.
- Effective financial and management reporting system.
- Continuous and ongoing monitoring of control activities by an independent Internal Control Division.
- Independent evaluation of control activities on periodic basis by Internal Audit Division.
- Strong regulatory and policy compliance culture driven from the top to the lowest level.
- Tiered ownership of internal controls – Board of Directors, Executive Management, Divisional heads and staff.

10.3 Responsibilities for internal control in the Bank

- Board of Directors, Audit Committee, Board Audit and Risk Assessment Committee – approve and monitor effectiveness of internal control system.
- GMD/CE and EXCO – design and maintain adequate system of internal controls.
- Top and middle management – implement and enforce internal controls.
- Internal Control and Internal Audit Divisions – review, monitor, evaluate and enforce internal controls in the Bank.
- All staff – own internal control measures inherent in their various job functions.

10.4 FirstBank internal control objectives

- Achievement of business objectives.
- Safeguarding of assets.
- Reliability of financial records.
- Business/customer-oriented control practices.
- Automation of internal control and reconciliation activities.
- Zero tolerance for prudential provision on other assets.
- Minimise financial losses attributable to control infractions and reconciliation problems.
- Transaction safety.
- Risk-based departmental and independent control activities.
- Operational control efficiency and effectiveness.
- Strict compliance with regulations and internal policies.
- Zero tolerance for fraud, errors as well as control/regulatory infractions.
- Strict personal and business units responsibility for operational and control activities.
- Confidentiality, integrity and availability of assets.
- Business continuity and disaster recovery.

10.5 FirstBank internal control philosophy and principles

Major internal control philosophy and principles of the Bank are reflected in seven documents as detailed below:

i. **FirstBank Internal Control Framework** – This document, which is predicated on COSO (Committee of Sponsoring Organisation) standard, provides policies aimed at achieving the following objectives in the Bank:
   - proactive identification of key business risks with appropriate internal controls;
   - ensuring quality of internal and external financial reporting;
   - ensuring compliance with applicable laws, internal policies and regulations;
   - identifying and exploiting opportunities for improving efficiency of processes and controls; and
   - effective management of business operations and achievement of strategic objectives.

It also covers line of defence and control responsibilities of the Board of Directors, GMD/CE, executive management, Head Office departments, branches and subsidiaries.

ii. **FirstBank Internal Control Policy** – This document outlines best-practice control standards, roles and responsibilities of Directors, senior management, departments, subsidiaries and staff of the Bank.

iii. **Firstbank Internal Control Guidelines** – FirstBank has adopted COSO framework (customised to the Bank's local environment) for its internal control procedures and guidelines. The guidelines outline procedures for identification, management and documentation of relevant processes/sub-processes including mapping of specific risks and control mitigants.

iv. **FirstBank Operational Procedure** – Detailed Control, Accounting and Administrative Procedures (CAAP) manuals have been developed for all processes, activities, products and services of the Bank including business continuity and disaster recovery.

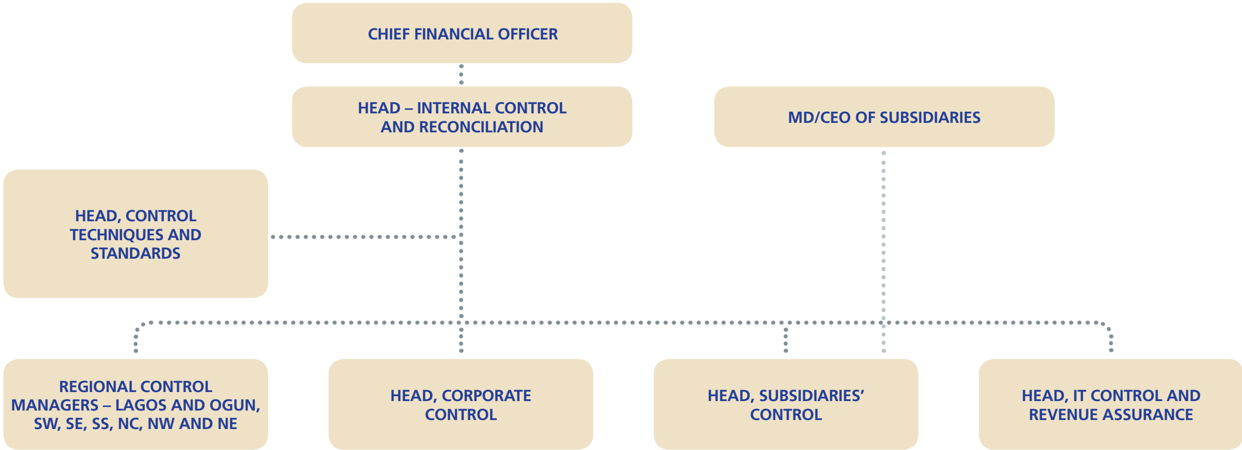
v. **FirstBank Operational Desk Manual/Job card for operational activities.**

vi. **FirstBank Departmental and Independent Control Function Checklist** used for managing supervisory and independent control risks.

vii. **FirstBank Independent Control Function Proof Chart** – standardised procedure for executing various independent control activities in the Bank.

10.6 Structure of FirstBank Internal Control Division

Organisational structure of the Internal Control and Reconciliation Division



Internal Control and Reconciliation Division is dynamically structured to identify emerging/incremental areas of risk exposures aimed at instituting immediate preventive control measures.

Major features of the Internal Control Structure include:

i. Group-wide independent control oversight with Resident Internal Control Officers in all branches, Head Office departments and subsidiaries.

ii. Branch profiling, risk rating and control vulnerability are considered for the determination of optimum Resident Internal Control Officers (RICO) requirements and placements.

iii. Institution of efficient staff deployment strategies that aligns staff quality with the risk rating of the branches.

iv. Alignment of Resident Internal Control Officers (RICO) specialist skills with the core competencies required for specialised functions in the Bank especially Head Office and subsidiaries.

v. Training, orientation and development of RICOs are predicated on ensuring superior knowledge of product features, policies, regulations, processes and systems inherent in processing activities under their purview.

10.7 Major internal control/audit reports to Board and senior management

i. Major audit issues and countermeasures/mitigants.

ii. Fraud recovery status report (₦10m and above).

iii. Fraud statistics type and frequency with year-on-year comparison including general remedial actions.

iv. Major operational/control lapses in audit reports.

v. Control situation report.

vi. Cash tracking report.

vii. Prudential provision on other assets.

viii. Account opening documentation deficiency report.

ix. Unusual incidence report.

x. Control risk rating of business units.

10.8 Fraud management strategies in FirstBank

10.8.1 Fraud management objectives

- Prevention of fraud occurrence or losses. Where prevention is not possible they should be promptly detected and mitigated.
- Efficient fraud loss mitigation measures, i.e., rapid escalation of fraud occurrence, insurance recovery and effective management of law enforcement agencies.
- Prevent repeat of operational lapses and system defects that facilitate fraud incident.
- Minimise other operational losses associated with fraud losses.
- Automation of fraud preventive and detective measures.

10.8.2 Fraud management strategies

- Implementation of world-class enterprise fraud management software with strong emphasis on automated fraud prevention and detection.
- Implementation of world-class automated internal control and continuous monitoring solution.
- Building fraud prevention and detection controls in processes and systems.
- Strict compliance with internal policy, regulatory and statutory requirements.
- Implementation of anti-fraud operational, supervisory and independent controls.
- Proactive management of financial and non-financial risks.
- Holding operators and supervisors personally responsible for fraud occurrence.
- Conducting root cause analysis of fraud occurrence.
- Automation of reconciliation activities.
- Risk-based departmental and independent control checklist for supervisors and RICOs.
- Enforcement of GL account ownership policy.
- Strong handshake/partnership among various stakeholders responsible for fraud escalation, management and loss recovery.
- Continuous awareness campaign on fraud learning points.
- Dynamic/continuous control improvement measures.
- Improve Resident Internal Control Officer's (RICO) manning and skill capacity.
- Improve anti-fraud operational control capacities among operations staff.
- Process optimisation and automation.
- Frequent rotation of RICOs and operations staff.
- Effective fraud escalation mechanism to all levels of management.
- Effective implementation of whistle-blowing policy.

10.9 Adoption of Integrated Governance, Risks and Compliance (IGRC) framework

To gain control over diverse risks through a consistent, coordinated and sustainable strategy, FirstBank has commenced implementation of leading practice 'integrated governance, risk and compliance' ('IGRC') strategy. The IGRC framework is a principles-guided, step-by-step, logical and scalable method that integrates governance, risk and compliance activities into a manageable and sustainable process.

The implementation of the IGRC has helped the Bank to achieve the following:

- avoid duplication of efforts;
- make better use of staff and resources;
- identify unmanaged/unknown risks through a practical but comprehensive evaluation process;
- improve the content, quality and timing of governance, risk and compliance analysis and reporting;
- implement a proactive approach to risk management;
- control the growth of governance, risk and compliance-related expenses;
- enable effective revenue generation and assurance function; and
- establish a timely and consistent approach for assessing audit/compliance programmes across all business units in the organisation including the subsidiaries.

The implementation of IGRC is manifested in the following risk and governance structure of the Bank:

i. Risk Management Governance Framework, which encompasses Board of Directors, Board Credit Committee, Board Audit and Risk Assessment Committee, MD/EXCO/ALCO, Risk Management Directorate, Internal Control and Audit;

ii. a strong and well-defined relationship between the Risk Management Directorate and other key stakeholders and Divisions in the Bank; and

iii. Institution of Management Risk and Assessment Committee (MRAC) as a veritable platform for resolving common control, risk and audit issues in the Group.

Corporate Social Responsibility

First Bank of Nigeria Plc has, for many decades, consistently engaged in Corporate Social Responsibility (CSR) interventions to promote the welfare and development of communities at the grassroots and national levels, long before the CSR concept became common place.

1 OUR RATIONALE

FirstBank's CSR strategy encompasses the Bank's commitment to being a major contributor to the social, economic and cultural development of the nation beyond the provision of financial services to its customers. Through intervention in selected focus areas, the Bank is determined to facilitate sustainable solutions to the challenges faced by Nigerians in diverse situations while engaging in constructive and mutual partnerships with the beneficiaries.

The focus areas include: education and youth development, sports development, health and welfare, arts and culture, entrepreneurial and economic development, and environmental and social issues, with education, health and entrepreneurial development being the top priority focus areas.

2 CSR EXPENDITURE IN THE YEAR UNDER REVIEW

Our summary CSR expenditure in the year under review is outlined as follows:

Education: The Bank's investment in professorial endowment fund and other educational interventions were worth ₦633.8 million.

Health and welfare: The health and welfare of the citizenry, dwelling basically on the user-needs identification system was worth ₦35.59 million.

Sports: Our primary focus on sports was the under-17 FIFA sports sponsorship which the Bank sponsored. The sponsorship was leveraged with various marketing and communication activities to the tune of ₦324.3 million. Other sports activities sponsored by the Bank sum up to ₦39.1, bringing the Bank's support to ₦363.4 million.

Entrepreneurship and economic development: Entrepreneurial and economic development, which is a major focus of the Bank's CSR, was worth ₦446 million.

Environmental and social issues: This focus area integrates arts and culture, community development and environmental sustainability. The Bank's commitments were worth ₦145.05 million.

Consequently, the Bank's CSR expenditure for the 2009 financial year was worth ₦1.62 billion.

3 EDUCATION AND YOUTH DEVELOPMENT

Educational and youth development consistently received adequate support. The Bank's investments in the FirstBank Professorial Endowment in 12 universities are presently worth ₦385 million. In a re-alignment of the endowment programme, the Bank decided to complement these endowments with infrastructure projects. In the period under review, such projects were completed in two universities. These projects include:

- construction of a 500-seater lecture theatre at Obafemi Awolowo University; and
- construction of the University of Abuja Entrepreneurship Centre.

  The sum of ₦100 million was also released for the construction of a senate building for Olabisi Onabanjo University.

Supporting our community

Construction of the 500-seater lecture theatre at Federal University of Technology, Minna. The lecture theatre will be donated by FirstBank to the University as part of its Endowment Structure initiatives to provide infrastructure in Nigerian Universities.

Other corporate social investments in education include:

- ₦25 million to the University of Ilorin for the 24th Conference of the Association of Vice Chancellors of Nigerian Universities.
- ₦25 million to SIFE National Leadership Conference.
- ₦21 million to the High School Musical Programme.
- ₦20.9 million to the construction of a students' hostel for Jigawa state.
- ₦20 million to the building and equipping of a computer laboratory in St Anne's Nursery and Primary School, Kaduna, in commemoration of its Golden Jubilee Anniversary.
- ₦9.9 million as additional funding for the construction of a 500-seater lecture hall for the Federal University of Technology, Minna.
- ₦8 million to Wole Soyinka's Prize for Literature.
- ₦5.8 million for the purchase of a Toyota Hiace bus for the University of Ilorin.
- ₦4.5 million as final payment for the construction of the University of Abuja Entrepreneurship Centre.
- ₦2.6 million to Barewa Old Students' Association Annual Lecture and Dinner.
- ₦1.5 million to the rehabilitation of the University of Lagos Staff School Auditorium.
- ₦1 million to the School of Media and Communication, Pan African University, Lagos Alumni Association.
- ₦1 million to the fourth NTA-ETV 2009 National Children Expo.
- The Bank also made commitments in respect of the additional funding for the construction of the University of Port Harcourt Faculty of Social Sciences Building, support for Kings' College Old Boys' Association (UI Chapter) Kings' Week 2009, Kids Trust Limited Press Conference for less-privileged children, the second Annual Harambe Nigeria Conference on Youth and Development, and support for Redeemers University's first convocation totalling ₦2.6 million.

Supporting our community

Faculty of Dentistry, University of Nigeria Teaching Hospital, Ituku/Ozalla donated by FirstBank as part of the Endowment Structure initiative to provide infrastructure in Nigerian Universities.

4 HEALTH AND WELFARE DEVELOPMENT

The development of health and welfare in FirstBank is based on a user-defined needs assessment while prioritising in the areas of cancer, kidney and cardiological health. The Bank in 2009 financial year made the following commitments in health and welfare:

- ₦24.8 million to the proposed Nigerian Red Cross Clinic in Ibadan, being 60% advance payment for the clinic.
- ₦3.5 million to Down Syndrome Association of Nigeria towards saving the life of one of the children in the Down Syndrome Centre, Lagos, diagnosed with a congenital heart disease.
- ₦2 million to the Awareness Workshops on Autism Spectrum Disorder.
- ₦1 million for the treatment of heart patients under the auspices of Kanu Heart Foundation.
- ₦1 million to the Arrow of God orphanage, Lagos.
- Other interventions of the Bank in health and welfare include: support for the International White Cane Day for the Blind with ₦0.9 million, additional payment for Mr Chilaka's kidney transplant with ₦0.89 million, Nigerian Association of Women Journalists (NAWOJ) Zonal Conference on Breast Feeding with ₦0.5 million, the 2009 International Cancer Week with ₦0.5 million, the Bloom Cancer Care & Support Centre with ₦0.25 million and a donation of ₦0.25 million to Mr Kesinro Olu to facilitate purchase of his son's hearing aid.

Supporting our community

Donation of cheque to Down Syndrome Association of Nigeria to save the life of a child with a hole in the heart.

5 SPORTS DEVELOPMENT

Sports development remained a strong focus in FirstBank's CSR strategy. The Bank's support for sports development in the past year was underlined with a major sponsorship of the FIFA U-17 World Cup, hosted by Nigeria for the first time ever. The Bank leveraged the sponsorship with marketing and communications activities to the sum of ₦324.3 million.

Other interventions of the Bank in sports include:

- ₦20.3 million to the 48th Lagos Amateur Open Golf Championship 2009.
- ₦7 million to the Georgian Cup at the Kaduna International Polo Tournament.

- ₦5 million to the CBN Governor's Cup in commemoration of the 45th coronation anniversary of the Emir of Kano.
- ₦3.8 million to Dala Hard Court Championship.
- ₦1 million each to Micom Hotel and Resort Golf Classic 2009, the Sydney Bioalosa Asiodu Athletics Foundation and Ikoyi Club 1938 Men and Ladies' Squash Championship.

6 ENTREPRENEURSHIP AND ECONOMIC DEVELOPMENT

FirstBank has been consistent in the entrepreneurship and economic development of stakeholders through support for programmes geared towards the promotion of entrepreneurial skills and economic empowerment.

The Bank made the following commitments in entrepreneurship and economic development:

- ₦110 million to Vision 2020 Business Support Group.
- ₦85.3 million for road construction in Sokoto state.
- ₦45.55 million for the Police Television Programme 'Crime Fighters, The Police & You'.
- ₦30.15 million for the 2009 NLI Future Leaders' Seminar and Award Dinner organised by Nigeria Leadership Initiative.
- ₦18.1 million for the 19th World Economic Forum held in South Africa.
- ₦15.7 million for the US Embassy/Private Sector Forum.
- ₦13.1 million to the World Economic Forum.
- ₦10 million to the Nigerian British Chamber of Commerce for the International Gateway Economic Partnership Summit.
- ₦10 million for Sadauna Magazine's Annual Excellence and Leadership Award 2009.
- ₦10 million for the 10th anniversary of the Nigerian–South African Bi-National Commission.
- ₦9.6 million to National Pension Commission for the implementation of the Pension Reform.
- ₦7.5 million for the 2009 Lagos Bankers' Night.
- ₦7.1 million for the Pre-Golden Jubilee celebrations of Anglo-Nigeria Relations.
- ₦5.3 million for the Nigeria Infrastructure Conference and Exhibition 2009.
- ₦5 million for the International Energy Roundtable.
- ₦5 million to Federal Government New York Film Academy.
- ₦5 million for the Alumni Dinner for SEC Participants of the National Institute for Policy and Strategic Studies.
- ₦5 million for Gala Night Dinner for the ninth National Women Conference.
- ₦5 million for the Nigerian International Agribusiness Summit and Expo.

Supporting our community

Entrepreneurship Centre, University of Abuja, donated by FirstBank as part of the Endowment Structure initiative to provide infrastructure in Nigerian universities.

- ₦5 million to the Imo State Ministry of Petroleum and Environment.
- ₦5million to the Sir Ahmadu Bello Memorial Foundation.
- ₦4.7 million for the Business Investment Forum for Governors in Hague.
- ₦4 million for the Nigerian International AgriBusiness Summit.
- ₦3.8 million for the G-20 Pittsburgh Summit 2009.
- ₦3.5 million for CBN's 50th Anniversary.
- ₦2.6 million for Banking Technology West Africa Conference and Expo.
- ₦2.5 million to Women in Business eighth Annual Conference.
- ₦1.4 million for the 20th Enugu International Trade Fair.
- ₦1 million each for the Annual General Meeting of the British Chamber of Commerce, Africa Business Round Table Conference held in Abuja, the 2009 Nigerian–American Business Men's Event, the Second Nigerian–German Business Forum, the FATE Foundation Annual Celebration and Entrepreneurial Awards, and the sixth edition of the Annual Corporate Financial Reporting Summit and Dinner.
- Other entrepreneurial and economic interventions include support towards the 2009 edition of The Nigerian Stock Market Annual, the Businessday 2009 Special Report on Bond, the First International Conference on Nigeria Textile Industry, the proposed Skill Acquisition Centre, Damaturu, sponsorship of six customers to participate in LEAP Africa's Business Leadership programme held in Lagos, three participants to participate at the second International Conference on Non-Oil Exports, the Action Coach Growth and Success Seminar, the Chamber's Business Day by the Nigeria–British Chamber of Commerce, the Nigerian–German Business Quarterly, donation to NDLEA Officers Memorial Trust Fund and Red Ribbon's Campaign, AREF World Refugee Day, Chike Okoli Foundation, Nigerian National Disabled Multi-Purpose Corporative Society, the 2009 Lagos International Trade Fair, Enterprise Seminar for Abiriba Business Persons, 10th International Chamber of Commerce, Nigeria Dinner and Dance, sponsorship of the CIPM Registrar to speak at

the conference on Human Capital Innovation in the Oil, Gas and Petrochemical Industry, Bottomline Magazine's 10th Anniversary Seminar, The Nigerian Stock Exchange Fact Book 2009, Book Launch by Eugenia Abu and Book Launch in honour of former Inspector General of Police – Dr Mike Okiro, all totalling ₦5.1 million.

7 ENVIRONMENTAL AND SOCIAL ISSUES

In upholding the environment and integrating with the societal values which communities hold dear, the Bank did not slack in its interventions in the arts and culture of the people, community development and environmental sustainability.

In celebrating arts and culture, the Bank made the following commitments:

- ₦110 million to the sponsorship of the annual Calabar Carnival, 2009.
- ₦5 million to the Shehu Yar'Adua Centre's 10th commemoration of the late Gen Shehu Musa Yar'Adua.
- ₦4 million to the Niger Delta Fashion Week tagged 'Fashion for Peace'.
- ₦2 million to the Franco–Nigerian Chamber of Commerce French Week 2009.
- ₦0.45 million to the Ajumogobia Memorial Christmas Concert.
- ₦0.1 million to the Unilag Africaribbean Festival.

In community development, the Bank made donations to Ebonyi state and Lagos Island East Local Government:

- A Hilux van was provided for the Ebonyi state Universal Basic Education Board and a double cabin air-conditioned four-wheel drive to the Federal Medical Centre, Abakaliki, Ebonyi state. These donations were worth ₦9 million.
- The Bank also sponsored the Lagos Island Initiative, a community development initiative by the Lagos Island East Local Government Council with the sum of ₦1.4 million.

Environment sustainability also received the Bank's attention, with various interventions from the Bank:

- ₦5 million to the Eko Akete Summit.
- ₦2.6 million to the enhancement of the reception of Lagos State Public Service Club.
- ₦2 million to the National Climate Change Awareness Programme organised by the Federal Ministry of Environment.
- ₦2 million to the renewal of the maintenance contract and upgrading of beautification project of the Costain roundabout.
- ₦1 million to the third Lagos state Ako-Eko Environmental Summit, 2009.
- ₦0.5 million to the Nigerian Conservation Foundation's Walk for Nature 2009.

Corporate transformation initiatives

In the year under review, the Bank activated ongoing initiatives to enhance its service delivery and communications to customers and other stakeholders. These initiatives have already significantly improved our responsiveness and consequently the market perception of the Bank.

Launch of FirstContact

FirstContact is the Bank's 24/7 interactive customer service centre which was launched internally on 3 August 2009 and externally on 6 November 2009. This service is a response and enquiry handling service available 24 hours a day, 7 days a week. It is also a channel which is used to cross-sell the Bank's products and services to existing customers.

Launch of FirstServe

FirstServe is the Bank's Centralised Processing Centre, established as a dedicated back-end processing centre to perform transaction processing on behalf of the branches and other alternative channels, like Online Banking and FirstContact. The major objective is to minimise transaction times and standardise service delivery. The pilot phase of the project went live at Marina Branch on 7 December 2009 with account opening processing.

Launch of the Bank's new website

A revamped group website was launched in September 2009. The re-designed website is more contemporary, user-friendly and has richer content that better engages the Bank's stakeholders.

Visibility for the corporate brand

Brand leadership must be supported by high visibility. This was achieved during the year through various advertising and activation campaigns showcasing the Bank's corporate strengths and value-adding products and services, as well as sponsorship of high-profile events, such as the FIFA U-17 World Cup.

Branch optimisation

This project is underway to implement a brand-driven décor and internal signage that will create an effective marketing and service-oriented ambience across all branches. The aim is to delight customers, drive sales and help change the perception of FirstBank as old-fashioned, particularly among the new generation of consumers.

FINANCIAL STATEMENTS

FULL DISCLOSURE

FINANCIAL STATEMENTS

We have always been aware of the need to promote and defend the disclosure and transparency levels necessary for shareholders to discharge their responsibilities.

www.firstbanknigeria.com/annualreport/dec2009/

Directors' Report

for the period ended 31 December 2009

The directors present their annual report on the affairs of First Bank of Nigeria Plc ('the Bank') and its subsidiaries (together 'the Group'), together with the financial statements and auditors' report for the nine months ended 31 December 2009.

A. LEGAL FORM

The Bank, which commenced operations in Nigeria on 31 March 1894 as a branch of Bank of British West Africa Limited (BBWA), was incorporated as a private limited liability company in Nigeria in 1969. It was converted to a public company in March 1970. The Bank's shares were listed on the floor of the Nigerian Stock Exchange by way of introduction in March 1971.

B. PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the Bank is the provision of banking and other financial services to corporate and individual customers. Such services include granting of loans and advances, corporate finance and money market activities. Its major subsidiaries carry on capital market, insurance and trusteeship businesses.

The Bank has 10 subsidiaries, namely: FBN Bank (UK) Limited, FBN Capital Limited, FBN Trustees Nigeria Limited, FBN Mortgages Limited, First Registrars Nigeria Limited, FBN Microfinance Bank Limited, First Pension Custodian Limited, FBN Insurance Brokers Limited, FBN Bureau De-Change Limited and First Funds Limited.

The Bank prepares consolidated financial statements.

C. OPERATING RESULTS

Gross earnings decreased by 9.8% and profit before tax of the Group decreased by 58.2% during the year. The directors recommend the approval of a final dividend of ₦2.9 billion (March 2009: ₦33.6 billion). Highlights of the Group's operating results for the period under review are as follows:

	31 DEC 2009 ₦'MILLION	31 MAR 2009 ₦'MILLION
Gross earnings	196,408	217,630
Profit before tax	11,585	27,686
Taxation	(8,396)	(15,117)
Profit after taxation	3,189	12,569

APPROPRIATIONS	31 DEC 2009 ₦'MILLION	31 MAR 2009 ₦'MILLION
Transfer to statutory reserve	236	5,369
Transfer to SME reserves	64	1,754
Transfer to retained earnings reserve	2,889	5,446
	3,189	12,569

D. DIRECTORS' SHAREHOLDING

The direct and indirect interests of directors in the issued share capital of the company as recorded in the register of directors' shareholding and/or as notified by the directors for the purposes of sections 275 and 276 of the Companies and Allied Matters Act and the listing requirements of the Nigerian Stock exchange is noted:

Directors' holdings

NAME	NUMBER OF ORDINARY SHARES HELD DEC 2009	NUMBER OF ORDINARY SHARES HELD MAR 2009
Otudeko, Ayoola O	(Direct) 4,763,850 (Indirect) 435,478,666	(Direct) 4,083,300 (Indirect) 478,005,813
Onasanya, Stephen Olabisi	2,716,053	2,328,046
Abubakar, Abdu	(Direct) 1,179,042 (Indirect) 123,958	Nil
Adesola, Harriet-Ann Omobola	12,510,465	10,723,256
Afonja, Ajibola A	23,130	19,826
Ajumogobia, Ibiai Alaliba	58,697	50,312
Duba, Garba	13,280,803	11,383,546
Hassan-Odukale, Oye	(Direct) 2,236,112 (Indirect) 41,152,639	(Direct) 1,916,668 (Indirect) 37,806,584
Lawanson, Kehinde A	4,470,165	3,831,570
Mahmoud, Abdullahi	969,494	830,996
Ngama, Yerima Lawan	3,032,888	2,459,932
Odunlami, Remi	115,244	14,781
Otti, Alex C	5,083,683	4,357,443
Oyelola, Oladele	5,295,096	4,538,654
Rasheed, Mahey R	28,061	Nil
Mutallab, Umaru Abdul	(Direct) 18,335,282 (Indirect) 322,198,535	(Direct) 15,715,956 (Indirect) 276,170,173
Sanusi, Sanusi Lamido	153,659	131,708

Mr Oba Otudeko has indirect shareholdings amounting to 435,478,666 through Metropolitan Trust Limited (279,935,098), Honeywell Staff CT & CS (98,811,227) and Orbit International Limited (56,732,341). Mr Hassan-Odukale Oyekanmi has indirect shareholdings amounting to 41,152,639 through Haskal Holdings Limited (12,162,697), LAC Investments Limited (24,220,170) and OHO Investment Limited (4,769,772) while Dr Abdu Abubakar has indirect shareholding amounting to 123,958 through 1st Investment Option Limited.

In accordance with the Company's articles of association, the following directors Dr Alex C Otti, Mrs Bola Adesola, Mr Kehinde Lawanson, Ms Ibia Ajumogobia and Prince Ajibola Afonja will retire and, being eligible, offer themselves for re-election; while Alhaji Mahey R Rasheed, OFR, be and is hereby elected as an independent Director of the Company.

E. DIRECTORS' INTERESTS IN CONTRACTS

For the purpose of section 277 of the Companies and Allied Matters Act, CAP C20 LFN 2004, none of the directors had direct or indirect interest in contracts or proposed contracts with the Company during the year.

F. PROPERTY AND EQUIPMENT

Information relating to changes in property and equipment is given in Note 22 to the Accounts. In the directors' opinion, the market value of the Group's properties is not less than the value shown in the financial statements.

G. SHAREHOLDING ANALYSIS

The shareholding pattern of the Bank as at 31 December 2009 is as stated below:

SHARE RANGE	NUMBER OF SHAREHOLDERS	PERCENTAGE OF SHAREHOLDERS	NUMBER OF HOLDINGS	PERCENTAGE OF HOLDINGS
1–9,999	1,006,286	77.07	2,581,723,014	7.04
10,000–50,000	247,922	18.99	4,741,326,429	16.35
50,001–100,000	23,553	1.80	1,632,623,670	5.63
100,001–500,000	18,191	1.39	3,574,932,422	12.32
500,001–1,000,000	2,082	0.16	1,450,294,854	5.00
1,000,001–5,000,000	1,663	0.13	3,249,270,575	11.20
5,000,001–10,000,000	198	0.02	1,376,571,666	4.75
10,000,001–50,000,000	194	0.01	3,724,098,031	12.84
50,000,001–100,000,000	29	0.00	1,951,814,806	6.73
100,000,001–500,000,000	18	0.00	3,372,377,926	11.63
500,000,001– 1,000,000,000	2	0.00	1,351,263,813	4.66
	1,300,128		28,467,695,211	
Foreign shareholders	5,616	0.43	538,601,995	1.86
	1,305,754		**29,006,297,206**	

H. SUBSTANTIAL INTEREST IN SHARES

According to the register of members at 31 December 2009, no shareholder held more than 5% of the issued share capital of the Bank.

I. DONATIONS AND CHARITABLE GIFTS

The Bank made contributions to charitable and non-political organisations amounting to ₦967.4 million (March 2009: ₦1.2 billion) during the year.

	AMOUNT ₦
Imo State Ministry of Petroleum and Environment	5,000,000
Nigerian International Agribusiness Summit and Expo	5,000,000
Shehu Musa Yar 'Dua Foundation	5,000,000
Eko Akete Resorts and Tourism	5,000,000
Sir Ahmad Bello Memorial Foundation	5,000,000
2009 Kaduna International Polo Tournament	7,000,000
Sponsorship of the Pre-Golden Jubilee Celebrations of Anglo–Nigeria Relations	7,125,000
Sponsorship of the 2009 Lagos Bankers Nite	7,500,000
Wole Soyinka's Prize for Literature (Lumina Foundation)	8,000,000
Sponsorship of Corporate Nigeria 2010 (Corporate Guides International Limited)	8,662,500
Healer Van for State Universal Basic Education and Double Cabin Air Conditioned for Wheel Drive Vehicle	9,000,000
The Nigeria Oil and Gas Conference 2010	9,503,000
National Pension Commission (Implementation of the Pension Reform)	9,600,000
Euro-Money Institutional Investor Plc – Navigating the Global Downturn	9,665,500
500 Seater Lecture Hall for Federal University of Technology, Minna	9,987,163
International Gateway Economic Partnership Summit	10,000,000
Nigerian–South Africa Bi-National Commission	10,000,000
World Economic Forum	13,100,000
Sponsorship to Participate as Principal Sponsor in the Proposed US Embassy/Private Sector Forum	15,702,500
2008 Edition of Undergraduate Essay and Secondary School Quiz Competition	15,703,698
St Anne's Nursery and Primary School	20,000,000
Construction of Students' Hostel for Jigawa State	20,945,641
Kidz Trust	21,200,000
Proposed Nigerian Red Cross Clinic Ibadan	24,860,844
Student In Free Enterprise (SIFE)	25,000,000
Annual Excellence and Leadership Award (*Sar'dauna Magazine*)	25,000,000
University of Ilorin, Nigeria	25,000,000
Nigeria Leadership Initiative	30,186,000
Police Weekly Television Programme *Crime Fighter: The Police and You*	45,550,000
Sokoto State Government on Roads Construction	85,333,333
Cross River State (Calabar Festival)	100,000,000
Construction of Senate Building for Olabisi Onabanjo University	100,000,000
Vision 2020 Business Support Group	110,000,000
Others	158,833,705
Total	**967,458,884**

J. POST BALANCE SHEET EVENTS

Supreme Court Judgement on Former MD/CEO Mr B O Longe

In 2002, the appointment of the then Bank's MD/CEO, Mr Bernard Ojeifo Longe, was revoked by the Board. He consequently instituted a court case challenging the validity of the revocation.

In spite of the Bank's victory at the Federal High Court and the Court of Appeal, on 5 March 2010, the Supreme Court gave a final judgement against the Bank to the effect that Mr B O Longe's removal as MD/CEO was ineffective as it was not in conformity with the provisions of S.266 (3) of the Companies and Allied Matters Act. The Supreme Court neither faulted the reasons for his removal nor the power of the Board to remove him.

Pursuant to the judgement, the Bank had commenced discussion with Mr Bernard Longe with a view to reaching a speedy and amicable final resolution that will translate into payment of financial compensation to him.

SNECOU (Bayelsa State Government)

On 26 January 2010 the Federal High Court of Lagos State gave judgement against the Bank in a case involving the Bank, Bayelsa State Government and SNECOU GROUP (The Plaintiff).

The Court ruled that a total sum of ₦5.2 billion be paid by First Bank of Nigeria Plc to SNECOU GROUP for failure to honour an Irrevocable Standing Payment Order. The Bank and Bayelsa State Government have, however, appealed against the judgement contesting the ruling. No liability was contemplated in the books of the Bank as at 31 December 2009.

K. HUMAN RESOURCES

Employment of disabled persons

It is the policy of the Bank that there should be no discrimination in considering applications for employment, including those from physically challenged persons. All employees whether or not physically challenged are given equal opportunities to develop. As at 31 December 2009, 13 physically challenged persons were employed by the Bank.

In the event of members of staff becoming disabled, efforts will be made to ensure that their employment with the Bank continues and appropriate training arranged to ensure that they fit into the Bank's working environment.

Health, safety and welfare at work

Health and safety regulations are in force within the Bank's premises and employees are aware of existing regulations. The Bank provides subsidy to all levels of employees for medicine, transportation, housing, etc.

Fire prevention and fire-fighting equipment are installed in strategic locations within the Company's premises.

The Company operates both Group Personal Accident and the Workmen's Compensation Insurance cover for the benefit of its employees. It also operates a contributory pension plan in line with the Pension Reform Act, 2004, as well as a terminal gratuity scheme for its employees.

L. EMPLOYEE INVOLVEMENT AND TRAINING

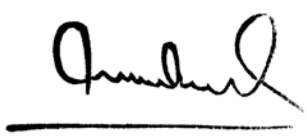
The Bank ensures, through various fora, that employees are informed on matters concerning them. Formal and informal channels are also employed in communication with employees with an appropriate two-way feedback mechanism.

In accordance with the Bank's policy of continuous development, training facilities are provided in the Bank's well-equipped Training School. In addition, employees of the Bank are nominated to attend both locally and internationally organised courses. These are complemented by on-the-job training.

M. AUDITORS

The joint Auditors, Messers Akintola Williams Deloitte and Pannell Kerr Forster, have indicated their willingness to continue in office as auditors. In accordance with Section 357 (2) of the Companies and Allied Matters Act, CAP C20 LFN 2004, a resolution will be proposed at the Annual General Meeting to authorise the directors to determine their remuneration.

BY ORDER OF THE BOARD



Tijjani M Borodo
Company Secretary
Lagos, Nigeria
March 2010

Corporate Governance

1 INTRODUCTION

The Central Bank of Nigeria's (CBN) special examination, the result of the first phase of which was announced on 14 August 2009, underscored the centrality of good corporate governance practice to the proper management of firms in the financial services industry. Apparently, governance failures were at the heart of the processes that led to the industry loss of liquidity, and the diminution of its capital adequacy ratios.

This result lends credence to our insistence on the need for strong corporate governance measures as a critical part of the process of facilitating the domestic industry's integration with the global financial marketplace. This led in the 2002/2003 financial year to the unprecedented inclusion of a corporate governance section in our Annual Report and Accounts. Furthermore, the subsequent attempts by the Central Bank to correct the governance lapses observed during its special audit, especially the directive issued during the review period, on term limits for banks' chief executives reinforces policies that have been in place at FirstBank for some time now.

Recognising that ultimately, corporate governance is as much about how well the Bank is run, as it is about the ease with which our esteemed shareholders are able to access and assess our operations, our succession planning has been designed to ensure the availability of suitable personnel in vital positions across the Bank. Because we believe that the process of finding and developing internal personnel with the potential to fill key or critical organisational positions goes beyond the office of the managing director/chief executive officer, we have been able to create a proven leadership model in Nigeria's financial services industry.

What this has meant, is that even over a business cycle, when we saw two chief executive officers resign – one at the end of his term of office, and the other to resume office as the nation's Central Bank governor – the transition at the helm of the Bank was so smooth as not to have had any effect on our business continuity, nor on staff morale. However, we believe that recent developments in the industry and the challenge of aligning the industry's goals with national development objectives require that we move the corporate governance framework across the country up several notches.

Because stiffer corporate governance requirements will increase directors' liabilities both in terms of the new responsibilities they assume under broader corporate governance provisions, and in terms of the time that they will be expected to spend on these responsibilities, if they are not to face negligence claims, smaller companies may well see compliance costs accounting for an increasing share of their corporate governance obligations. The corporate governance reform horizon must therefore contemplate a review of the framework in such a way that differently sized establishments face a graduated compliance burden.

In addition, in order to be more effective, the corporate governance focus must transcend maintenance of a proper balance between companies, their directors and auditors. Two concerns are paramount in this respect. First is the requirement that effective governance frameworks should seek to strengthen the relationship between shareholders, especially institutional investors, and the companies they invest in. Second is the need to ensure that properly implemented corporate governance frameworks increase the efficiency with which the marketplace works, and help build the markets' confidence in compliant companies.

As part of the process of strengthening our corporate governance framework, Alhaji Mahey R Rasheed was appointed an independent director in the period under review. Independence in this sense is consistent with the spirit and letter of the CBN's 3 April 2006 Code of Corporate Governance for Banks in Nigeria Post-Consolidation. Additionally, during the review period, we changed the name of our Board Nomination & Remuneration Committee to Board Governance Committee, to fully reflect this committee's responsibility in relation to articulating and overseeing corporate governance practices within the FirstBank Group.

2 SHAREHOLDING

With a base in excess of 1.3 million, FirstBank has arguably the largest number of shareholders of companies quoted on the Nigerian Stock Exchange. And with no single shareholder owning up to 5% of the issued ordinary shares of the Bank, it has a much diversified ownership structure.

Our diversified shareholding base guarantees our access to a broad and rich vein of talent available for service on our Board, and allied board committees.

3 GOVERNANCE STRUCTURE

3.1 The Board

The Board comprises seventeen (17) directors, made up of nine (9) non-executive directors and eight (8) executive directors. However the resignation of Alhaji (dr.) U A Mutallab CON on 14 December 2009 and the demise of Alhaji Aliyu Alkali, MNI on 25 September 2009 reduced the number of non-executive directors to seven (7).

One of the seven non-executive directors (none of whom exercises executive powers) chairs the Board.

In line with the Central Bank's requirement for directors "who do not represent any particular shareholder interest and hold no special business interest with the bank", Alhaji Mahey R Rasheed was appointed an independent director in the review period.

3.1.1 The Roles of the Board

The Board is responsible to shareholders for creating and delivering sustainable value through its general supervision of the Bank's business. In furtherance of this, the roles of "Chairman" and "Managing Director/Chief Executive (MD/CE)" in the Bank remain different and separate. The Chairman leads and manages the Board, ensuring that it operates effectively, while fully discharging its legal and regulatory obligations. Non-executive directors, appointed in the understanding that they will serve in the best interests of the Bank and its shareholders, are able to consider, challenge, monitor, and approve strategies and policies recommended by management.

The Board, representing shareholders, delegates responsibility for the day-to-day management of the Bank to the MD/CE, who is supported in this task by the Executive Committee, which he chairs.

Specifically, the roles of FirstBank's Board of Directors are:

- determining the Bank's objectives and strategies as well as plans to achieve them;
- determining the terms of reference and procedures of the Board committees, including reviewing and approving the reports of such committees where appropriate;
- maximising shareholder value through the setting of objectives, goals and strategic direction for management;
- considering and approving annual budgets, monitoring performance and ensuring that the Bank is a going concern;
- ensuring that an adequate budgetary and planning process exists, such that performance is measured against budget and plans;
- approving, amongst others, acquisition, mergers, business combinations, equity investments and new strategic alliances by the Bank and its subsidiaries;
- ensuring that an effective risk management process exists and is maintained;
- ensuring balanced and understandable reporting to shareholders; and
- retaining ultimate responsibility for systems of financial, operational and internal control and regulatory compliance, as well as ensuring that statutory reporting of these is adequate.

3.2 Standing Committees

The Board discharges its responsibilities through a number of standing committees whose charters are reviewed regularly. These charters define the purpose of the committees, their composition and structures, frequency of meetings, responsibilities and duties, and reporting lines to the Board. In addition to the two (2) Executive Committees (General and Credit), the Board oversees the affairs of the Bank through five (5) standing committees as shown in the table opposite. The additional standing committee, the Audit Committee, is created by statute and is not answerable to the Board.

3.2.1 Executive Committee (EXCO General)

The Executive Committee, chaired by the Managing Director/ Chief Executive Officer, is a first line referral point for issues to be discussed at the Board. Meeting fortnightly, it deliberates and decides on policies for the effective and efficient management of the Bank. EXCO's primary responsibility is to ensure implementation of strategies approved by the Board, provide leadership to the management team, and ensure efficient deployment and management of the Bank's resources. Its Chairman is responsible for the day-to-day running of the Bank.

3.2.2 Executive Committee, Credit (EXCO Credit)

This committee considers loan applications above specified limits, which have been reviewed and endorsed by the Risk & Management Control Directorate. It also considers loan requests above certain limits, which need to be referred to the Board, as well as agreeing changes to the Bank's credit policy.

3.2.3 Board Credit Committee

This committee considers loan applications above specified limits and which have been approved by EXCO Credit. It also serves as a catalyst for credit policy changes going from EXCO Credit to the Board for consideration/approval.

3.2.4 Board Tenders Committee

The Board Tenders Committee considers all capital projects beyond the approval limit of the Executive Committee (General) and makes recommendations for the consideration of the Board.

3.2.5 Board Establishment, Disciplinary & Promotions Committee

This committee considers staff matters in respect of senior officers on principal manager grade and above.

3.2.6 Board Governance Committee

This committee considers and periodically reviews the composition of the Board and recommends the appropriate mix, in terms of personal qualities, expertise, ability to exercise independent judgement and diversity required to discharge the Board's duties. It also determines and executes processes for Board appointments, removal of non-performing members of the Board, and recommends appropriate remuneration for directors.

3.2.7 Board Audit & Risk Assessment Committee

The Board Audit & Risk Assessment Committee has oversight responsibility for the internal audit and control, and risk assessment and compliance functions of the Bank. The Chief Internal Auditor and Chief Compliance Officer have access to this committee and make quarterly presentations for the consideration of its members.

3.2.8 Audit Committee

Established in compliance with section 359 (6) of the Companies and Allied Matters Act, 1990, the committee has oversight responsibility for the Bank's accounts.

	COMMITTEE	MEMBERS
1.	Board of Directors	Alhaji (Dr) U A Mutallab, CON (Chairman) – **Resigned 14/12/09** Mr Oba Otudeko, OFR (Chairman) – **Appointed 14/12/09** Mr Bisi Onasanya (Group Managing Director/Chief Executive) Executive Directors (7) Non-Executive Directors (6) (Alhaji Aliyu Alkali – **Deceased 25/09/09**)
2.	Executive Committee (General)	Group Managing Director/Chief Executive (Chairman) Executive Directors (7)
3.	Executive Committee (Credit)	Group Managing Director/Chief Executive (Chairman) Executive Directors (7)
4.	Board Credit Committee	Mr Oye Hassan-Odukale, MFR (Chairman) Group Managing Director/Chief Executive Executive Directors (7) Mallam Abdullahi Mahmoud Prince Ajibola A Afonja Alhaji Mahey R Rasheed, OFR
5.	Board Tenders Committee	Lt Gen Garba Duba (rtd) (Chairman) Group Managing Director/Chief Executive ED (Banking Operations & Services) Chief Risk Officer ED (Lagos)
6.	Board Establishment, Disciplinary & Promotions Committee	Mallam Abdullahi Mahmoud (Chairman) Group Managing Director/Chief Executive ED (Banking Operations & Services) ED (West) Prince Ajibola A Afonja Ms Ibiai Ajumogobia
7.	Board Governance Committee	Dr Oba Otudeko, OFR (Acting Chairman) Group Managing Director/Chief Executive Lt Gen Garba Duba (rtd)
8.	Board Audit & Risk Assessment Committee	Alhaji Mahey R Rasheed, OFR (Chairman) ED (Banking Operations & Services) Chief Risk Officer (Ex Officio) Mr Oye Hassan-Odukale, MFR ED (North) ED (South)
9.	Audit Committee	Lt Gen Garba Duba (rtd) Mr Oye Hassan-Odakale, MFR Three (3) representatives of shareholders elected annually at the Bank's AGM, one of whom is the Chairman (Alhaji Bashir Mohammed – Chairman, Chief Timothy Adesiyan, & Mr Chinwendu Achara)

The roles and responsibilities of these committees are discussed hereafter.

4 BOARD MEETINGS

DIRECTORS	BOARD	EXECUTIVE COMMITTEE (GENERAL)	BOARD CREDIT COMMITTEE	BOARD TENDERS COMMITTEE	BOARD ESTABLISHMENT, DISCIPLINARY & PROMOTIONS COMMITTEE	BOARD AUDIT & RISK ASSESSMENT COMMITTEE	BOARD GOVERNANCE COMMITTEE	AUDIT COMMITTEE	EXECUTIVE COMMITTEE (CREDIT)
Number of meetings	7	36	4	5	4	4	1	3	31
Mr Oba Otudeko, OFR (Appointed Chairman 14/12/09)	7	-	3	-	4	-	1	-	-
Mr Bisi Onasanya (Appointed GMD/CEO 04/06/09)	7	32	3	5	2	1	-	-	25
Dr Abdu Abubakar (Appointed 21/07/09)	5	28	2	3	2	3	-	-	18
Mrs Bola Adesola	7	27	4	-	1	-	-	-	23
Prince Ajibola A Afonja	7	-	4	-	4	-	1	-	-
Ms Ibiai Ajumogobia	7	-	Nil	-	4	3	-	-	-
Lt Gen Garba Duba (Rtd)	7	-	4	5	-	-	1	3	-
Mr Oye Hassan-Odukale, MFR	7	-	3	5	-	3	-	3	-
Mr Kehinde Lawanson	7	28	4	-	3	-	-	-	25
Mallam Abdullahi Mahmoud	7	-	4	3	-	5	-	-	-
Dr Yerima Ngama	7	22	3	-	-	-	-	-	21
Mrs Remi Odunlami	7	33	4	5	1	4[1]	-	-	26
Mr Alex C Otti	6	17	3	-	-	-	-	-	20
Mr Oladele Oyelola	7	27	2	-	-	3	-	3[2]	20
Alhaji Mahey R Rasheed OFR (Appointed 21/07/09)	4	-	Nil	-	-	-	-	-	-
Alhaji Aliyu A Alkali, MNI (Deceased 25/09/09)	-	-	Nil	-	-	-	-	-	-
Alhaji U A Mutallab, CON (Resigned 14/12/09)	7	-	-	-	-	4	-	-	-
Mr Lamido Sanusi (Resigned 03/07/09)	1	4	1	-	-	-	-	-	4

1. Mrs Odunlami attends BARAC meetings as an Ex-Officio member.
2. Mr Oyelola attends the Audit Committee as an Ex-Officio member.

The above structures notwithstanding, committee meetings may be called on a "need-to-meet" basis. Meetings of the statutory Audit Committee are called only to consider audit reports and are not scheduled as others are.

Support Committees

The Executive Committee is supported in its work by five (5) standing committees. These provide strategic backing for the long-term professional management of the Bank. Some of the standing committees are first-line decision-making bodies in a chain that reaches all the way to the Board of Directors through the Executive Committee. The committees and their membership are listed below:

Assets and Liabilities Management Committee

- Group Managing Director/Chief Executive
- All Executive Directors
- Chief Strategy Officer
- Head, Financial Control
- Head, Treasury
- Head, Business Performance Monitoring
- Head, Market & Liquidity Risk Management
- Representatives of Regional Directives

Information Technology Steering Committee

• GMD/CE	Chairman
• ED Banking Operations and Services	Member
• Executive Director, Lagos	Member
• Executive Director, South	Member
• Chief Financial Control	Member
• Group Head, Information Technology	Member
• Group Head, General Services	Member
• Group Head, Operations	Member
• Group Head, Products and Channels	Member
• Chief Internal Auditor	Member
• Head, Information Security Management	Member
• Chief Compliance Officer	Member
• Head, Internal Control	Member
• Head, Corporate Transformation	Member
• Chief Strategy Officer	Member
• Head, Business Improvement	Secretary

Finance & Operations Committee

• Chief Strategy Officer	Chairman
• Representative of Corporate Banking SBU	Member
• Head, Credit Risk Management	Member
• Head, Consumer Banking Products	Member
• Head, Domestic Operations	Member
• Representatives of Regional Directorates	Members
• Chief Internal Auditor	Member
• Head, Treasury	Member
• Head, Foreign Operations	Member
• Head, Financial Control	Member
• Chief Compliance Officer	Member

Group Management Committee

• Group Managing Director/Chief Executive	Chairman
• All Executive Directors	Members
• Managing Directors of all the Subsidiaries	Members
• Chief Strategy Officer	Member
• Head, Financial Control	Member
• Head, Business Performance Monitoring	Member
• Company Secretary	Member

Shareholder participation and activism

We have always been aware of the need to promote and defend the disclosure and transparency levels necessary for shareholders to discharge their responsibilities. We strongly believe that shareholder engagement will be the new corporate governance frontier going forward. Accordingly, through our Investor Relations department, we have begun the process of building the institutions that will engender higher levels of shareholder engagement with the Bank.

In line with the provisions of sections 5.4.5, 5.4.6, and 5.4.7 of the CBN's Code of Corporate Governance for Banks, KPMG Professional Services conducted an appraisal of the Board of Directors for the year ended December 2009. Their report is reproduced in the following section.

RESPONSIBILITY FOR ANNUAL FINANCIAL STATEMENTS

The Companies and Allied Matters Act and the Banks and Other Financial Institutions Act, require the directors to prepare financial statements for each financial year that gives a true and fair view of the state of financial affairs of the Bank at the end of the year and of its profit or loss. The responsibilities include ensuring that the Bank:

1. keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the bank and comply with the requirements of the Companies and Allied Matters Act and the Banks and Other Financial Institutions Act;
2. establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
3. prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, that are consistently applied.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with:

- Nigerian Accounting Standards;
- Prudential Guidelines for Licensed Banks;
- relevant circulars issued by the Central Bank of Nigeria;
- the requirements of the Banks and Other Financial Institutions Act; and
- the requirements of the Companies and Allied Matters Act.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Bank and Group and of the profit for the year. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Bank will not remain a going concern for at least 12 months from the date of this statement.

Onasanya, Stephen Olabisi
Executive Director

Odunlami, Remi
Executive Director

Directors and Advisers

DIRECTORS

Oba A Otudeko, OFR, Chairman – appointed 14 December 2009

Bisi Onasanya

Abdu Abubakar, PhD – appointed 21 July 2009

Bola Adesola

Ajibola A Afonja

Ibiai A Ajumogobia

Garba Duba

Oye Hassan-Odukale, MFR

Kehinde Lawanson

Abdullahi Mahmoud

Yerima L Ngama, PhD

Remi Odulami

Alex C Otti

Oladele Oyelola

Mahey R Rasheed, OFR – appointed 21 July 2009

Aliyu A Alkali, mni – deceased 25 September 2009

Umaru A Mutallab, CON – resigned 14 December 2009

COMPANY SECRETARY

Tijjani M Borodo

REGISTERED OFFICE

Samuel Asabia House
35 Marina, Lagos

REGISTRAR

First Registrars Nigeria Limited
Plot 2, Abebe Village Road
Iganmu, Lagos

AUDITORS

Akintola Williams Deloitte
(Chartered Accountants)
235 Ikorodu Road, Ilupeju
Lagos

PKF Pannel Kerr Forster
(Chartered Accountants)
Toloye House, 362 Ikorodu Road
1A Okupe Estate
Maryland, Lagos

Report of the External Consultant on the Board Appraisal

We conducted the appraisal of the Board of Directors ("the Board") of First Bank of Nigeria Plc ("the Bank") for the period ended 31 December 2009 in accordance with the standards set by the Central Bank of Nigeria (CBN) Code of Corporate Governance for Banks in Nigeria Post Consolidation ("the CBN Code"). Corporate governance is the system by which business corporations are directed and controlled to enhance performance and long-term shareholder value.

We reviewed the Bank's corporate governance report included on pages 99 to 104 of the Annual Report for the period ended 31 December 2009 as prepared by the Board, and assessed the level of compliance of the Board with the CBN Code.

The principal recommendations arising from our appraisal of the Board of the Bank, in accordance with the CBN Code, were in the following areas: Board and Board Committee composition, Directors' remuneration, Board Committee meetings and the process for monitoring related party transactions.

Olumide Olayinka
Partner, KPMG Professional Services
16 April 2010

Report of the Independent Joint Auditors

Deloitte.

PKF

Report on the Financial Statements

We have audited the accompanying financial statements of First Bank of Nigeria Plc and its subsidiary companies (the Group), which comprise the balance sheet as at 31 December 2009, the income statement, statement of cash flows for the period then ended, and significant accounting policies and other financial information set out on pages 109 to 162.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies and Allied Matters Act, Cap C20, LFN 2004, and the Banks and Other Financial Institutions Act, Cap B3, LFN 2004, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Group and the Bank as at 31 December 2009, and of its financial performance and its cash flows for the period then ended; the Group and the Bank has kept proper books of account, which are in agreement with the balance sheet and income statement, in the manner required by the Companies and Allied Matters Act, Cap C20, LFN 2004, and the Banks and Other Financial Institutions Act, Cap B3, LFN 2004, in accordance with the Statements of Accounting Standards issued by the Nigerian Accounting Standards Board.

Report on Other Legal and Regulatory Requirements

We confirm that our examination of loans and advances was carried out in accordance with the Prudential Guidelines for licensed banks issued by the Central Bank of Nigeria.

In accordance with circular BSD/1/2004 issued by the Central Bank of Nigeria, details of insider related credits are as disclosed in note 34.

Contraventions

No contravention of the provision of the Banks and Other Financial Institutions Act, Cap B3, LFN 2004, was brought to our attention during the audit of the financial statements for the period ended 31 December 2009.

Akintola Williams Deloitte

Chartered Accountants
Lagos, Nigeria
31 March 2010

PKF Pannell Kerr Forster

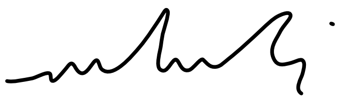
Chartered Accountants
Lagos, Nigeria
31 March 2010

Report of the Audit Committee to the Members of First Bank of Nigeria Plc

In compliance with Section 359 (6) of the Companies and Allied Matters Act 1990, we have reviewed the Audit Report for the nine months ended 31 December 2009 and hereby state as follows:

1. The scope and planning of the audit were adequate in our opinion.
2. The accounting and reporting policies of the Company conformed with statutory requirements and agreed ethical practices.
3. The internal control was being constantly and effectively monitored.
4. The external auditors' management report received satisfactory response from Management.
5. The Committee reviewed the Audit Report on insider-related party transactions and is satisfied with their status as required by Central Bank of Nigeria (CBN).

Dated 19 March 2010



Alhaji Bashir A Mohammed
Chairman, Audit Committee

Members of the Committee
Alhaji Bashir A Mohammed
Lt.-Gen. Garba Duba (rtd.)
Mr Oye Hassan-Odukale, MFR
Chief Timothy A Adesiyan
Mr Chinwendu N Achara

Statement of Significant Accounting Policies

for the period ended 31 December 2009

The principal accounting policies adopted in the preparation of these financial statements are set out below:

1 BASIS OF PREPARATION

These financial statements are the consolidated financial statements of First Bank of Nigeria Plc, a company incorporated in Nigeria in 31 March 1969, and its subsidiaries (hereinafter collectively referred to as "the Group"). The financial statements are prepared under the historical cost convention modified by the revaluation of certain investment securities, property, plant and equipment, and comply with the Statement of Accounting Standards issued by the Nigerian Accounting Standards Board.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

2 BASIS OF CONSOLIDATION

i. Subsidiaries

Subsidiary undertakings, which are those companies in which the Bank, directly or indirectly, has an interest of more than half of the voting rights or otherwise and has power to exercise control over their operations, have been consolidated. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Bank. Separate disclosure is made for minority interest.

The acquisition method is used to account for business combinations. The cost of an acquisition is measured as the market value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their market values at acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit and loss account.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

ii. Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement; its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

3 SEGMENT REPORTING

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns different from those of segments operating in other economic environments.

Segment information is presented in respect of the Bank's and Group's business and geographical segments. The business segments are determined by management based on the Company's internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 FOREIGN CURRENCY TRANSLATION

Reporting currency

The consolidated financial statements are presented in Nigerian naira, which is the Bank's reporting currency.

Transactions and balances

Foreign currency transactions are translated into the reporting currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Group companies

The results and financial position of all Group entities that have a currency different from the reporting currency are translated into the reporting currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- Income and expenses for each profit and loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transactions, in which case income and expenses are translated at the dates of the transactions).
- All resulting exchange differences are recognised as exchange difference reserve on the balance sheet.

On consolidation, exchange differences arising from the translation of the investment in foreign entities are taken to shareholders' funds. When a foreign operation is sold, such exchange differences are recognised in the profit and loss account as part of the gain or loss on sale.

5 INCOME RECOGNITION

i. Interest income and interest expense

Interest is accrued on daily balances on all assets and liabilities to which interest is applicable. Interest overdue by more than 90 days is suspended and recognised only to the extent of cash received.

ii. Fees, commissions and other income

Fees and commissions, where material, are amortised over the life of the related service. Otherwise fees, commissions and other income are recognised as earned upon completion of the related service.

iii. Lease finance income

Income from advances under finance leases is recognised on a basis that provides a constant yield on the outstanding principal over the lease term.

iv. Dividend

Dividends are recognised in the income statement when the entity's right to receive payment is established.

v. Custody fee income

This is recognised on accrual basis when the service is rendered and is recorded net of taxes.

vi. Financial advisory

This is recognised over the period for which the service is provided.

6 PROVISION AGAINST CREDIT RISK

Loans and advances are stated after the deduction of provisions against debts considered doubtful of recovery. Loans are classified as performing and non-performing, and are considered non-performing when principal and/or interest repayment obligations are in arrears for over three months. Specific provisions are made on non-performing accounts as follows:

INTEREST AND/OR PRINCIPAL OUTSTANDING FOR:	CLASSIFICATION:	PROVISION:
Over 90 days but less than 180 days	Substandard	10%
Over 180 days but less than 360 days	Doubtful	50%
360 days and over	Lost	100%

However, provisions for microfinance are made in line with the Central Bank of Nigeria's Regulatory and Supervisory Framework for Microfinance Banks in Nigeria, December 2005, from a specific assessment of each customer's account. Non-performing loans are classified as follows:

INTEREST AND/OR PRINCIPAL OUTSTANDING FOR:	CLASSIFICATION:	PROVISION:
Between 1 and 30 days	Pass and watch	5%
Between 31 and 60 days	Substandard	20%
Between 60 and 90 days	Doubtful	50%
91 or more days and for restructured loans	Lost	100%

In addition, a provision of 1% minimum is made for all performing accounts to recognise losses in respect of risks inherent in any credit portfolio (currently not mandatory).

When a loan is deemed not collectible, it is written off against the related provision for impairments and subsequent recoveries are credited to the profit and loss account.

Risk assets in respect of which a previous provision was not made are written directly to the profit and loss account when they are deemed to be not collectible.

7 OFFSETTING

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

8 INVESTMENTS

The Group categorises its investments into the following categories: short-term investments and long-term investments. Investment securities are initially recognised at cost and management determines the classification at initial investment.

i. Short-term investments

Short-term investments are investments held temporarily in place of cash and which can be converted into cash when current financing needs make such conversion desirable. In addition, management intends to hold such investment for not more than one year.

a. Marketable securities

Marketable securities held by the Bank and Group are valued at the lower of cost and market value, determined on an item by item basis. Unrealised losses are charged to the profit and loss account.

All gains and losses from sale of marketable securities are reported in the profit and loss account.

b. Trading securities

Trading securities comprise of government bonds and other securities.

i. Trading securities held for fixed redemption date are stated at cost.

ii. Dealing securities are stated at the lower of cost and market value.

iii. Premiums and discounts arising on purchase are amortised on the yield to redemption.

Short-term investments are subsequently re-measured at the lower of cost and market value. The amount by which cost exceeds market value (unrealised loss) is charged to the profit and loss account for the period.

ii. Long-term investments

Long-term investments are investments held by management over a long period of time to earn income. Long-term investments may include debt and equity securities.

Long-term investments are carried at cost less impairment. An investment is impaired if its carrying amount is greater than its estimated recoverable amount. The amount of the impairment loss for assets carried at amortised cost is calculated as the difference between the asset's carrying amount and the market value.

Interest earned while holding investment securities is reported as interest income. Dividends receivable are included separately in dividend income when a dividend is declared. A change in market value of investment securities is not taken into account unless it is considered to be permanent.

9 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are carried in the Company's balance sheet at cost less provisions for impairment losses. Where, in the opinion of the directors, there has been impairment in the value of an investment, the loss is recognised as an expense in the period in which the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit and loss account.

10 INVESTMENT PROPERTIES

An investment property is an investment in land or buildings held primarily for generating income or capital appreciation and not occupied substantially for use in the operations of the enterprise. A piece of property is treated as an investment property if it is not occupied substantially for use in the operations of the Group; an occupation of more than 15% of the property is considered substantial.

Investment properties are carried in the balance sheet at their market value and revalued periodically on a systematic basis at least once in every three years. Investment properties are not subject to periodic charge for depreciation.

When there has been a decline in value of an investment property, the carrying amount of the property is written down to recognise the loss. Such a reduction is charged to the profit and loss account. Reductions in carrying amount are reversed when there is an increase, following a revaluation of the investment property, or if the reasons for the reduction no longer exist.

An increase in carrying amount arising from the revaluation of investment property is credited to owners' equity as revaluation surplus. To the extent that a decrease in carrying amount offsets a previous increase, for the same property that has been credited to revaluation surplus and not subsequently reversed or utilised, it is charged against that revaluation surplus rather than the profit and loss account.

An increase on revaluation which is directly related to a previous decrease in carrying amount for the same property that was charged to the profit and loss account is credited to the profit and loss account to the extent that it offsets the previously recorded decrease.

Investment properties are disclosed separately from the property and equipment used for the purposes of the business.

11 PROPERTY AND EQUIPMENT

All property and equipment are initially recorded at cost. They are subsequently stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All other repairs and maintenance are charged to the profit and loss account during the financial period in which they are incurred.

Construction cost in respect of offices is carried at cost as work in progress. On completion of construction, the related amounts are transferred to the appropriate category of property and equipment. Payments in advance for items of property and equipment are included as prepayments in other assets and upon delivery are reclassified as additions in the appropriate category of property and equipment. No depreciation is charged until the assets are put into use.

12 DEPRECIATION

Depreciation is provided to write off the cost of fixed assets over their estimated useful lives on a straight line basis at the following annual rates:

ASSET CLASS	DEPRECIATION RATE
Motor vehicles	25%
Office equipment	20%
Furniture and fittings	20%
Computer hardware and equipment	33⅓%
Plant and machinery	20%
Freehold buildings	2%
Leasehold buildings	2% for leases of 50 years and above Over expected life in case of leases under 50 years

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's value less costs to sell and value in use.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the profit and loss account for the year.

On revaluation of property and equipment, an increase in the net book value is credited to a revaluation surplus reserve. A decrease in the net book value is used to reduce the amount of any existing revaluation surplus on the same item before it is charged to the profit and loss account.

13 CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits denominated in naira and foreign currencies. Cash equivalents are short-term, highly liquid instruments which are:

i. readily convertible into cash, whether in local or foreign currency; and

ii. so near to their maturity dates as to present insignificant risk of changes in value as a result of changes in interest rates.

14 BORROWED FUNDS

Borrowed funds are recognised initially at their issue proceeds and subsequently stated at cost less repayment. Transaction costs where immaterial are recognised immediately in the profit and loss account. Where transaction costs are material they are capitalised and amortised over the life of the loan. Interest paid on borrowing is recognised in the profit and loss account for the period.

15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are liabilities that are uncertain in timing or amount.

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are normally made for restructuring costs and legal claims. In addition, general provisions are made on performing risk assets balances in accordance with the Prudential Guidelines for Licensed Banks. Risk assets comprise of loans and advances, advances under finance leases, etc.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or the Group has a present obligation as a result of past events but is not recognised because it is not likely that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated.

Contingent liabilities normally comprise legal claims under arbitration or court process in respect of which a liability is not likely to occur.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent assets are never recognised, rather they are disclosed in the financial statements when they arise.

16 RETIREMENT BENEFITS

The Group has both defined benefit and defined contribution plans.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. For defined contribution plans, the Group makes contributions on behalf of qualifying employees to a mandatory scheme under the provisions of the Pension Reform Act of 2004. Funding under the scheme is 7.5% each by staff and the Group based on annual basic salary, housing and transport allowances in line with the Pension Reform Act, 2004. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. Payments are made to PFA companies who are appointed by respective staff of the Group.

17 TAXATION

i. Income tax

Income tax is provided on taxable profit at the current statutory rate.

ii. Deferred taxation

Deferred taxation, which arises from timing differences in the recognition of items for accounting and tax purposes, is calculated using the liability method. Deferred income tax is provided using the liability method for all timing differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

The principal timing differences arise from depreciation of property, plant and equipment, provisions for pensions and other post-retirement benefits, provisions for loan losses and tax losses carried forward. The rates enacted or substantively enacted at the balance sheet date are used to determine deferred income tax. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the timing differences can be utilised.

18 ORDINARY SHARE CAPITAL

i. Share issue costs

Incremental costs directly attributable to the issue of new shares or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

ii. Dividends on ordinary shares

Dividends on ordinary shares are appropriated from the revenue reserve in the period they are approved by the Bank's shareholders.

Dividends for the period that are approved by the shareholders after the balance sheet date are dealt with in the subsequent events note.

Dividends proposed by the directors but not yet approved by members are disclosed in the financial statements in accordance with the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004.

19 OFF BALANCE SHEET TRANSACTIONS

Transactions that are not currently recognised as assets or liabilities in the balance sheet but which nonetheless give rise to credit risks, contingencies and commitments are reported off balance sheet. Such transactions include letters of credit, bonds, guarantees, indemnities, acceptances, and trade-related contingencies such as documentary credit, etc.

Outstanding and unexpired commitments at year end in respect of these transactions are shown by way of note to the financial statements.

Income on off balance sheet engagements is in the form of commission that is recognised as and when transactions are executed. Such commission is included in the commission income in the profit and loss account.

It comprises:

i. Acceptances

Acceptances are undertakings by the Bank to pay bills of exchange drawn on customers. The Bank expects most acceptances to be settled simultaneously with the reimbursement from customers.

Acceptances are accounted for and disclosed as contingent liabilities. The income and expense relating to these acceptances are recognised and reported net in the financial statements.

ii. Guarantees and performance bonds

The Bank provides financial guarantees and bonds to third parties on the request of customers in the form of bid and performance bonds or advance payment guarantees.

These agreements have fixed limits and generally do not extend beyond the period stated in each contract.

The amounts reflected in the financial statements as contingent liabilities for bonds and guarantees represent the maximum accounting loss that would be recognised at the balance sheet date if counterparties failed completely to perform as contracted. Commissions and fees charged to customers for services rendered in respect of bonds and guarantees are recognised at the time the services or transactions are affected.

iii. Commitments

Commitments to extend credit or deliver on sales or purchases on foreign exchange in future are recognised as contingent liabilities. Commissions and fees charged to customers for services rendered in respect of commitments are recognised at the time the services or transactions are affected.

20 SALE OF LOANS OR SECURITIES

A sale of loans or securities without recourse to the seller is accounted for as a disposal and the assets excluded from the balance sheet.

Profits or losses on sale of loans or securities without recourse to the seller are recognised by the seller when the transaction is completed.

The Group regards a sale of loans or securities as without recourse, if it satisfies all the following conditions. Any sale not satisfying these conditions will be regarded as with recourse:

- Control over the economic benefits of the asset must be passed on to the buyer.
- The seller can reasonably estimate any outstanding cost.
- There must not be any repurchase obligations.

A sale or transfer of loans or securities with recourse is when there is an obligation to, or an assumption of, repurchase and is not treated as a sale, and the asset remains in the Group's balance sheet, with any related cash received recognised as a liability.

Profit arising from sale or transfer of a loan or securities with recourse to the seller is amortised over the remaining life. However, losses are recognised as soon as they can reasonably be estimated.

Where there is no obligation or assumption of repurchase, the sale should be treated as a disposal and the asset excluded from the balance sheet, and any contingent liability disclosed.

21 FIDUCIARY ACTIVITIES

The Group acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group.

22 EARNINGS PER SHARE

The Group presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the Bank by the weighted average number of shares outstanding during the period.

23 ADVANCES UNDER FINANCE LEASE

Advances to customers under finance lease are stated net of unearned income. Lease finance is recognised in a manner which provides a constant yield on the outstanding net investment over the lease period.

Provisions are determined from a specific assessment of each customer's account and relate to advances considered doubtful in line with the Central Bank of Nigeria Prudential Guidelines for Licensed Banks. A general provision of 1% is made on advances which have not been specifically provided for.

Income arising there from is allocated to each year on the basis of the annual finance charges that are equivalent to implicit interest rate agreed on the facility.

Balance Sheet

for the period ended 31 December 2009

		The Group		The Bank	
	Note	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million
ASSETS					
Cash and balances with the Central Bank	9	**70,332**	140,403	**67,576**	140,353
Treasury bills	10	**14,219**	17,697	**14,219**	17,697
Due from other banks	11	**514,193**	764,048	**255,902**	510,722
Loans and advances to customers	12	**1,078,452**	740,397	**1,022,486**	684,107
Advances under finance lease	14	**10,835**	11,769	**10,835**	11,769
Investment securities	15	**64,737**	45,524	**49,386**	34,663
Investment in associates	16	**3,248**	2,884	**2,224**	2,224
Investment in subsidiaries	17	**-**	1,510	**30,416**	28,449
Trading securities	18	**221,863**	151,111	**221,863**	151,111
Managed funds	19	**84,630**	36,894	**-**	-
Other assets	20	**55,226**	51,884	**51,245**	48,007
Investment property	21	**6,631**	6,098	**-**	-
Property and equipment	22	**47,980**	39,695	**46,302**	38,320
		2,172,346	2,009,914	**1,772,454**	1,667,422
LIABILITIES					
Customer deposits	23	**1,339,142**	1,194,455	**1,236,599**	1,071,836
Due to other banks	24	**173,280**	170,410	**65,087**	78,980
Liability on investment contracts	25	**148,224**	93,296	**-**	-
Other borrowings	26	**35,473**	35,042	**35,473**	35,042
Current income tax	8	**19,625**	11,283	**14,948**	7,238
Other liabilities	27	**135,707**	154,057	**92,172**	109,796
Deferred income tax liabilities	28	**10,612**	13,634	**10,144**	12,758
Retirement benefit obligations	29	**725**	332	**544**	718
		1,862,788	1,672,509	**1,454,967**	1,316,368
EQUITY					
Ordinary share capital	30	**14,504**	12,432	**14,504**	12,432
Share premium account	31	**254,524**	254,524	**254,524**	254,524
Statutory reserve	32	**23,660**	23,424	**23,475**	23,284
Exchange difference reserve	32	**3,962**	733	**2,836**	2,836
Retained earnings	32	**549**	30,648	**9,789**	42,334
Bonus issue reserve	32	**-**	2,072	**-**	2,072
Reserve for small/medium scale industries	32	**9,980**	11,193	**9,980**	11,193
Revaluation reserve (property)	32	**2,379**	2,379	**2,379**	2,379
Total equity		**309,558**	337,405	**317,487**	351,054
Total equity and liabilities		**2,172,346**	**2,009,914**	**1,772,454**	**1,667,422**
Acceptances and guarantees	33	**972,601**	696,378	**431,316**	314,973

The accounting policies on pages 109 to 114 and financial statements and notes on pages 115 to 162 were approved by the Board of Directors on 31 March 2010 and signed on its behalf by:

Otudeko, Ayoola Oba
Chairman

Onasanya, Stephen Olabisi
Group MD/CEO

Odunlami, Remi
Executive Director

Profit and Loss Account

for the period ended 31 December 2009

	Note	The Group 9 months to 31 Dec 2009 ₦'million	The Group 12 months to 31 Mar 2009 ₦'million	The Bank 9 months to 31 Dec 2009 ₦'million	The Bank 12 months to 31 Mar 2009 ₦'million
GROSS EARNINGS		**196,408**	217,630	**175,355**	184,536
Interest and similar income	3	**162,041**	176,332	**145,100**	146,996
Interest and similar expense	4	**(65,884)**	(56,652)	**(56,167)**	(43,587)
Net interest income		**96,157**	119,680	**88,933**	103,409
Fee and commission income	5	**28,120**	34,019	**24,603**	29,154
Fee and commission expense		**(56)**	(39)	**(56)**	(39)
Net fee and commission income		**28,064**	33,980	**24,547**	29,115
Foreign exchange income		**4,128**	2,949	**3,025**	2,857
Trusteeship income		**51**	1	**-**	-
Income from investments	6	**1,316**	1,007	**1,876**	3,083
Other income		**808**	3,361	**807**	2,485
		6,303	7,318	**5,708**	8,425
OPERATING INCOME		**130,524**	160,978	**119,188**	140,949
Operating expenses	7	**(78,339)**	(87,740)	**(70,037)**	(80,880)
Group's share of associate's results		**24**	-	**-**	-
Diminution in asset values	13	**(40,624)**	(19,439)	**(41,462)**	(13,959)
Profit before exceptional item and taxation		**11,585**	53,799	**7,689**	46,110
Exceptional item	19.1	**-**	(26,113)	**-**	-
		11,585	27,686	**7,689**	46,110
Taxation	8	**(8,396)**	(15,117)	**(6,414)**	(11,036)
Profit after taxation		**3,189**	12,569	**1,275**	35,074
PROFIT ATTRIBUTABLE TO THE GROUP		**3,189**	12,569	**1,275**	35,074
Appropriated as follows:					
Statutory reserve	32	**236**	5,368	**191**	5,261
Small & Medium Scale Industries Equity Investment Scheme (SMIEIS) Reserve	32	**64**	1,754	**64**	1,754
Bonus issue reserve	32				
Retained earnings reserve	32	**2,889**	5,446	**1,020**	28,059
		3,189	12,569	**1,275**	35,074
Earnings per share (basic) (kobo)	37	**10.99**	50.55	**4.40**	141.06

Cash Flow Statement

For the period ended 31 December 2009

	Note	The Group 9 months to 31 Dec 2009 ₦'million	The Group 12 months to 31 Mar 2009 ₦'million	The Bank 9 months to 31 Dec 2009 ₦'million	The Bank 12 months to 31 Mar 2009 ₦'million
OPERATING ACTIVITIES					
Cash generated from operations	36	**(247,764)**	240,276	**(261,090)**	220,353
Tax paid	8	**(3,064)**	(5,975)	**(1,318)**	(3,223)
Net cash (used in)/from operating activities		**(250,828)**	234,301	**(262,408)**	217,130
FINANCING ACTIVITIES					
Dividend paid to shareholders (note 32)		**(33,565)**	(23,867)	**(33,565)**	(23,867)
Net cash used in financing activities		**(33,565)**	(23,867)	**(33,565)**	(23,867)
INVESTING ACTIVITIES					
Purchase of investment securities (note 15)		**(24,608)**	(15,313)	**(20,685)**	(5,234)
Proceed from sale of investments – quoted		**3,803**	13,866	**3,803**	13,830
Dividend received – subsidiaries and others		**1,316**	1,007	**1,876**	3,083
Redemption of dated securities		**1,500**	(1,500)	**1,500**	(1,848)
Redemption/(purchase) of investment securities		**-**	-	**-**	-
Additional investment in subsidiaries		**1,510**	-	**(1,990)**	-
Additional investment in associates		**(364)**	(2,063)	**-**	(2,150)
Additional to investment property		**(533)**	(4,124)	**-**	
Purchase of property, plant and equipment	22	**(14,164)**	(16,315)	**(13,505)**	(15,329)
Proceeds from sale of property and equipment		**273**	1,087	**244**	1,056
Net cash (used in) investing activities		**(31,267)**	(23,355)	**(28,757)**	(6,592)
(Decrease)/increase in cash and cash equivalents		**(315,660)**	187,079	**(324,730)**	186,671
Analysis of changes in cash and cash equivalents					
At start of the period		**(906,694)**	(719,615)	**(653,208)**	(466,537)
At end of the period	38	**591,034**	906,694	**328,478**	653,208
(Decrease)/increase in cash and cash equivalents		**(315,660)**	187,079	**(324,730)**	186,671

Notes to the Financial Statements

For the period ended 31 December 2009

1 GENERAL INFORMATION

The Bank, which commenced operations in Nigeria on 31 March 1894 as a branch of Bank of British West Africa Limited (BBWA), was incorporated as a private limited liability company in Nigeria in 1969. It was converted to a public company in 1970. The Bank's shares are quoted on the Nigerian Stock Exchange.

The Bank engages in the business of commercial banking whilst its subsidiaries, FBN Bank (UK) Limited, First Registrars Nigeria Limited, First Trustees Nigeria Limited, FBN Capital Limited, First Pension Custodian Nigeria Limited, FBN Mortgages Limited, FBN Insurance Brokers Limited, First Funds Limited, FBN Micro Finance Bank Limited and FBN Bureau de Change Limited carry on the business of commercial banking, registrars, trusteeship, capital market, pension fund custodian, mortgage financing, insurance brokerage, management of SMIEIS fund investments, small-scale banking and bureau de change activities respectively.

The Bank has 10 subsidiaries as listed below.

NAME	%
FBN Bank (UK) Limited	100
FBN Capital Limited	100
First Pension Custodian Nigeria Limited	100
First Trustees Nigeria Limited	100
FBN Mortgages Limited	100
FBN Insurance Brokers Limited	100
First Registrars Nigeria Limited	100
FBN Bureau de Change Limited	100
FBN Microfinance Bank Limited	100
First Funds Limited	100

2 SEGMENT ANALYSIS

(a) By geographical segment

The Group's business is organised along two main geographical areas:

i. Nigeria;

ii. United Kingdom.

Transactions between the business segments are on normal commercial terms and conditions.

Funds are ordinarily allocated between segments, resulting in funding cost transfers disclosed in operating income. Interest charged for these funds is based on the Group's cost of capital. There are no other material items of income or expense between the business segments.

Internal charges and transfer pricing adjustments have been reflected in the performance of each segment. Revenue sharing agreements are used to allocate external customer revenues to each segment on a reasonable basis.

	Nigeria ₦'million	United Kingdom ₦'million	Total ₦'million
i. AT 31 DECEMBER 2009			
External revenues	189,047	7,361	**196,408**
Operating income	**127,089**	**3,435**	**130,524**
Profit before tax	11,419	166	**11,585**
Income tax expense	(8,346)	(50)	**(8,396)**
Profit for the year	**3,073**	**116**	**3,189**
Total assets	1,899,643	272,703	**2,172,346**
Total liabilities	1,614,330	248,458	**1,862,788**
Other segment items			
Depreciation	5,467	79	**5,546**
ii. AT 31 MARCH 2009			
External revenues	203,356	14,274	**217,630**
Operating income	157,389	3,589	**160,978**
Profit before tax	50,611	3,188	**53,799**
Income tax expense	(14,164)	(953)	**(15,117)**
Profit for the year	**10,334**	**2,235**	12,569
Total assets	1,729,433	280,481	**2,009,914**
Total liabilities	1,456,255	216,254	**1,672,509**
Other segment information			
Depreciation	6,108	95	**6,203**

(b) By business segment

The Group is divided into the following business units:

Retail and corporate banking: Offering a comprehensive range of retail, personal, commercial and corporate banking services and products to individuals, small business customers, corporate, medium and large business customers.

Investment and capital market operations: This provides Investment and Capital Market services to both individual and institutional investors. It also provides registrar services to both listed and private companies.

Asset management and trusteeship: This provides individuals and financial institutions with asset management and advisory services.

Mortgage banking: Offers mortgage and home ownership banking services to individuals and corporate institutions.

Others: Services under this include insurance brokerage functions, private equity and venture capital, and bureau de change business functions.

		Retail & Corporate Banking ₦'million	Investment & Capital Markets ₦'million	Asset Management ₦'million	Mortgage Management ₦'million	Others ₦'million	Total ₦'million
i.	**AT 31 DECEMBER 2009**						
	External revenues	183,006	9,877	1,777	1,636	1,349	**196,408**
	Operating income	122,909	5,516	1,307	487	1,349	**130,524**
	Profit before tax	7,868	1,445	3,592	73	747	**11,585**
	Income tax expense	(6,081)	(1,755)	(206)	(70)	(284)	**(8,396)**
	Profit for the year	**1,787**	**(310)**	**3,386**	**3**	**463**	**3,189**
	Total assets	1,934,110	122,010	97,624	13,106	5,496	**2,172,346**
	Total liabilities	1,652,805	111,805	74,864	10,793	12,521	**1,862,788**
	Other segment information						
	Depreciation	5,251	118	54	40	83	**5,546**
ii.	**AT 31 MARCH 2009**						
	External revenues	196,113	14,844	3,295	2,958	1,077	**217,630**
	Operating income	145,178	11,145	3,295	940	1,077	**160,978**
	Profit before tax	46,718	4,484	1,490	540	565	**53,799**
	Exceptional items	-	-	(26,113)	-	-	**(26,113)**
	Income tax expense	(11,991)	(2,557)	(197)	(178)	(194)	**(15,117)**
	Profit for the year	**34,727**	**1,927**	**(24,820)**	**362**	**371**	**12,569**
	Total assets	**1,882,297**	**63,355**	**49,308**	**12,766**	**2,190**	**2,009,914**
	Total liabilities	**1,538,622**	**52,219**	**69,979**	**10,277**	**1,414**	**1,672,509**
	Other segment information						
	Depreciation	5,856	141	127	40	39	**6,203**

3 INTEREST AND SIMILAR INCOME

	The Group		The Bank	
	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million
Placements	**33,102**	39,469	**18,207**	15,905
Treasury bills and investment securities	**18,330**	21,155	**18,088**	19,849
Loans and advances	**108,552**	112,563	**106,748**	109,341
Advances under finance leases	**2,057**	1,901	**2,057**	1,901
Commission on managed funds	**-**	1,244	**-**	-
	162,041	**176,332**	**145,100**	**146,996**
Interest income earned in Nigeria	**154,240**	160,057	**144,660**	145,207
Interest income earned outside Nigeria	**7,801**	16,275	**440**	1,789
	162,041	**176,332**	**145,100**	**146,996**

4 INTEREST AND SIMILAR EXPENSE

	The Group		The Bank	
	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million
Current accounts	**17,321**	20,687	**13,394**	12,565
Savings accounts	**5,363**	5,714	**5,356**	5,710
Time deposits	**30,798**	21,864	**29,181**	17,738
Domiciliary deposits	**1,023**	2,094	**1,023**	2,094
Inter-bank takings	**5,473**	3,736	**5,599**	3,736
Borrowed funds	**1,545**	1,744	**1,614**	1,744
Managed funds	**4,361**	813	**-**	-
	65,884	**56,652**	**56,167**	**43,587**

Interest expense paid outside Nigeria amounted to Group ₦1.5 billion (31 March 2009: ₦1.7 billion) and Bank ₦1.6 billion (31 March 2009: ₦1.7 billion).

5 FEES AND COMMISSION INCOME

	The Group		The Bank	
	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million
Credit-related fees	**4,021**	5,298	**4,021**	5,298
Commission on turnover	**11,462**	11,651	**9,906**	11,651
Remittance fees	**751**	718	**751**	718
Letters of credit commissions and fees	**702**	853	**702**	853
Exchange gain	**8**	56	**5**	-
Financial advisory fees	**778**	2,525	**-**	566
Gains on disposal of investment properties	**575**	-	**-**	-
Commission on insurance premium	**348**	-	**-**	-
Commission on western union transfers	**725**	983	**725**	983
Other fees and commissions	**8,750**	11,935	**8,493**	9,085
	28,120	**34,019**	**24,603**	**29,154**

6 INCOME FROM INVESTMENTS

	The Group		The Bank	
	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million
Dividend income	**1,316**	**1,007**	**1,876**	**3,083**

7 OPERATING EXPENSES

	The Group		The Bank	
	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million
Staff costs (note 35a)	**40,604**	50,203	**39,275**	48,830
Depreciation (note 22)	**5,546**	6,203	**5,182**	5,761
Auditors' remuneration	**142**	149	**101**	90
Directors' emoluments (note 35b)	**599**	674	**395**	387
Loss/(profit) on disposal of property and equipment	**94**	(657)	**95**	(653)
Loss on disposal of shares	**2,498**	-	**21**	-
Deposit insurance premium	**3,671**	3,678	**3,671**	3,678
Stamp duties	**4**	38	**-**	38
Exchange loss	**-**	100	**-**	100
Other operating expenses	**25,181**	27,352	**21,297**	22,649
	78,339	**87,740**	**70,037**	**80,880**

8 TAXATION

	The Group		The Bank	
	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million
Charge				
Current tax	**3,993**	6,882	**1,838**	3,874
Education tax	**206**	797	**-**	655
Technology tax	**107**	526	**76**	461
Under provision in prior years	**-**	11	**-**	-
Income tax charge	**4,306**	8,216	**1,914**	4,990
Deferred tax charge (note 28)	**4,090**	6,901	**4,500**	6,046
Charge for the period	**8,396**	**15,117**	**6,414**	**11,036**
Payable				
At 1 April	**11,283**	9,466	**7,238**	5,471
Adjustments from subsidiaries	**-**	(424)	**-**	-
Reclassifications (note 28.1)	**7,114**	-	**7,114**	-
Tax paid	**(3,064)**	(5,975)	**(1,318)**	(3,223)
Witholding tax credit utilised	**(14)**	-	**-**	-
Income tax charge	**4,306**	8,216	**1,914**	4,990
	19,625	**11,283**	**14,948**	**7,238**

There was no provision for Education tax for the period under review as there was no assessable profit.

9 CASH AND BALANCES WITH THE CENTRAL BANK

	The Group		The Bank	
	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million
Cash	**33,689**	24,467	**30,933**	24,417
Operating account with the Central Bank	**26,859**	99,870	**26,859**	99,870
Other accounts with CBN	**419**	414	**419**	414
Included in cash and cash equivalents (note 38)	**60,967**	124,751	**58,211**	124,701
Mandatory reserve deposits with the Central Bank	**10,308**	16,481	**10,308**	16,481
	71,275	141,232	**68,519**	141,182
Provision for cash balances (note 9.1)	**(943)**	(829)	**(943)**	(829)
9.1 PROVISION FOR CASH AND SHORT-TERM FUNDS				
Opening balance	**829**	774	**829**	898
Additional provision (note 13)	**114**	55	**114**	(69)
As at 31 December	**943**	**829**	**943**	**829**

10 TREASURY BILLS

	The Group		The Bank	
	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million
Treasury bills	**14,219**	**17,697**	**14,219**	**17,697**

11 DUE FROM OTHER BANKS

	The Group		The Bank	
	9 months to 31 Dec 2009 ₦'million	**12 months to 31 Mar 2009 ₦'million**	**9 months to 31 Dec 2009 ₦'million**	**12 months to 31 Mar 2009 ₦'million**
Current balances with banks within Nigeria	**42,889**	68,436	**14,555**	18,917
Current balances with banks outside Nigeria	**47,573**	312,142	**74,234**	108,225
Placements with banks and discount houses	**425,386**	262,758	**167,259**	262,758
Open Buy-back placement REPO	**-**	120,910	**-**	120,910
	515,848	764,246	**256,048**	510,810
Provision for balances due from other banks (note 11.1)	**(1,655)**	(198)	**(146)**	(88)
	514,193	**764,048**	**255,902**	**510,722**
11.1 PROVISION FOR BALANCES DUE FROM OTHER BANKS				
As at 1 April	**198**	295	**88**	88
Additional provision	**1,484**	32	**58**	-
Provision no longer required	**(27)**	(129)	**-**	-
Per profit and loss account (note 13)	**1,457**	(97)	**58**	-
As at 31 December	**1,655**	**198**	**146**	**88**

Balances with banks outside Nigeria include ₦23.7 billion (March 2009: ₦46.7 billion) which represents the naira value of foreign currency bank balances held on behalf of customers in respect of letters of credit transactions. The corresponding liability is included in other liabilities (see note 27). The amount is not available for the day-to-day operations of the Bank.

Included in placements with banks and discount houses are placements with banks within Nigeria of ₦152 billion (31 March 2009: ₦247.7 billion).

12 LOANS AND ADVANCES

	The Group		The Bank	
	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million
Overdrafts	**159,140**	161,667	**153,424**	161,667
Term loans	**408,415**	386,130	**361,443**	386,130
Staff loans	**15,805**	8,834	**8,915**	8,834
Commercial papers	**108,690**	112,160	**108,690**	112,160
Money market lines	**294,319**	19,057	**294,319**	19,057
Project finance (note 12.4)	**87,886**	-	**87,886**	-
Others	**67,280**	75,929	**67,280**	17,451
	1,141,535	763,777	**1,081,957**	705,299
Loan loss provision (note 12.3a)	**(55,065)**	(20,278)	**(52,037)**	(18,139)
	(8,018)	(3,102)	**(7,434)**	(3,053)
	1,078,452	**740,397**	**1,022,486**	**684,107**
12.1 ANALYSIS BY SECURITY				
Secured against real estate	**154,326**	22,643	**149,397**	21,470
Secured by shares of quoted companies	**53,302**	-	**53,084**	-
Otherwise secured	**602,091**	599,742	**592,375**	592,550
Unsecured	**331,816**	141,392	**287,101**	91,279
	1,141,535	**763,777**	**1,081,957**	**705,299**
12.2 ANALYSIS BY PERFORMANCE				
Performing	**1,047,547**	727,290	**993,451**	673,524
Non-performing				
– Substandard	**16,212**	18,741	**15,144**	15,834
– Doubtful	**32,746**	7,027	**30,812**	6,136
– Lost	**37,012**	7,617	**35,117**	6,752
– Interest in suspense	**8,018**	3,102	**7,434**	3,053
	1,141,535	**763,777**	**1,081,957**	**705,299**
Analysis by maturity				
0–30 days	**591,347**	109,482	**549,927**	109,482
1–3 months	**122,045**	284,800	**120,890**	284,795
3–6 months	**134,244**	99,013	**133,009**	98,645
6–12 months	**38,740**	39,477	**69,847**	38,588
Over 12 months	**255,159**	231,005	**208,284**	173,789
	1,141,535	**763,777**	**1,081,957**	**705,299**

	The Group		The Bank	
	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million
12.3 LOAN LOSS PROVISION AND INTEREST IN SUSPENSE				
(a) Movement in loan loss provision				
At 1 April				
– Non-performing	**13,005**	4,090	**11,403**	4,057
– Performing	**7,273**	4,686	**6,736**	4,409
	20,278	**8,776**	**18,139**	**8,466**
Additional provision				
– Non-performing	**52,437**	16,841	**50,931**	15,268
– Performing	**(7,214)**	2,587	**(6,736)**	2,327
Provision no longer required	**(4,863)**	(5,145)	**(4,863)**	(5,141)
Charge for the year (note 13)	**40,360**	14,283	**39,332**	12,454
Amounts written off	**(5,573)**	(2,781)	**(5,434)**	(2,781)
	34,787	**11,502**	**33,898**	**9,673**
At 31 December				
– Non-performing	**55,006**	13,005	**52,037**	9,673
	59	7,273	**-**	8,466
	55,065	**20,278**	**52,037**	**18,139**
(b) Movement in interest-in-suspense				
At 1 April	**3,102**	**829**	**3,053**	**827**
Suspended during the year	**7,274**	**3,735**	**6,739**	**3,688**
Amounts written back	**(3)**	**(217)**	**(3)**	**(217)**
Amounts written off	**(2,355)**	**(1,245)**	**(2,355)**	**(1,245)**
At 31 December	**8,018**	**3,102**	**7,434**	**3,053**

12.4 Project finance – SeaWolf Oil Field Services Limited

The Bank, in July 2007, committed to jointly (with other financial institutions and investors) finance construction of oil rigs through SeaWolf Oil Field Services Limited for the servicing of oil companies based in Nigeria.

The Bank initially disbursed the sum of $260 million to the company and in view of the project's potential, continued to fund the project when the other parties could not meet the funding agreement due to the economic meltdown and cash constraints.

The project is now operational and has commenced repayment of the finance facilities granted. Currently there are no outstanding repayments due on the project finance from the company and the Bank has put in place adequate safeguards to ensure full repayment of the facilities as and when due.

All relevant regulators have also been notified of this transaction which qualifies as a related party transaction as the chairman and one other director of the company are also directors of the Bank.

The facility exceeded the single obligor limit of the Bank set at 20% of the shareholders' funds (₦63 billion) as at 31 December 2009, as a result of reclassification of commercial paper balances to the balance sheet in accordance with CBN circular BSD/DIR/GEN/CIR/03/018 of July 2009.

However, the Bank obtained a waiver from the Central Bank of Nigeria via a memo dated 8 October 2009 BSD/GAA/IVG. FBN/GEN/VOL.2/010 to exceed the single obligor limit for the facility and to regularise the same by 31 March 2010.

	The Group		The Bank	
	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million
12.5 INSIDER-RELATED CREDITS				
Aggregated amount of insider-related credits outstanding at year-end classified by quality:				
Performing	**117,042**	48,779	**117,042**	48,779
Non-performing (note 34a)	**125**	45	**125**	45
	117,167	**48,824**	**117,167**	**48,824**

13 PROVISION FOR LOSSES

	The Group		The Bank	
	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million
The charge for the period is analysed as follows:				
Loans and advances – specific (note 12.3a)	**52,437**	16,841	**50,931**	15,268
Loans and advances – general (note 12.3a)	**(7,214)**	2,587	**(6,736)**	2,327
Recoveries	**(4,863)**	(5,145)	**(4,863)**	(5,141)
Loans and advances (note 12.3)	**40,360**	14,283	**39,332**	12,454
Provision on advances under finance lease (note 14.1)	**(10)**	15	**(10)**	15
Provision for diminution in value of investments (note 15.1)	**1,592**	4,577	**2,160**	1,249
Provision for diminution in investments in subsidiaries (note 17)	**-**	-	**23**	-
Cash and short-term funds provision (note 9.1)	**114**	55	**114**	(69)
Due from banks and other financial institutions (note 11.1)	**1,457**	(97)	**58**	-
Provision on managed funds (note 19.1)	**(2,478)**	-	**-**	-
Provision for other assets (note 20.1)	**(411)**	606	**(215)**	311
	40,624	**19,439**	**41,462**	**13,959**

14 ADVANCES UNDER FINANCE LEASE

	The Group		The Bank	
	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million
Gross investment	**14,668**	15,217	**14,668**	15,217
Less: Unearned income	**(3,724)**	(3,329)	**(3,724)**	(3,329)
Net investment	**10,944**	11,888	**10,944**	11,888
Less: General provision (note 14.1)	**(109)**	(119)	**(109)**	(119)
	10,835	**11,769**	**10,835**	**11,769**
Analysis by performance				
Performing	**10,944**	**11,888**	**10,944**	**11,888**
Analysis by maturity				
0–30 days	**1,071**	1,644	**1,071**	1,644
1–3 months	**71**	-	**71**	-
3–6 months	**185**	603	**185**	603
6–12 months	**4,565**	-	**4,565**	-
Over 12 months	**5,052**	9,641	**5,052**	9,641
	10,944	**11,888**	**10,944**	**11,888**

	The Group		The Bank	
	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million
14.1 MOVEMENT IN ADVANCES UNDER FINANCE LEASE PROVISION				
At start of the period:				
– Performing	**119**	104	**119**	104
Additional provision:				
– Performing (no longer required)/charged (note 13)	**(10)**	15	**(10)**	15
At the end of the period:				
– Performing	**109**	119	**109**	119

15 INVESTMENT SECURITIES

	The Group		The Bank	
	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million
Long-term investments:				
Debt securities – at cost				
Listed	**9,769**	8,200	**9,519**	7,904
Unlisted				
– SeaWolf	**7,781**	-	**7,781**	-
– Rainbow	**4,900**	-	**4,900**	-
– Others	**3,390**	-	**-**	-
Equity securities – at cost				
Unlisted (note 15.1b)	**25,865**	27,251	**23,100**	25,403
Short-term investments:				
Equity securities – at cost				
Listed (note 15.1a)	**24,152**	19,601	**7,783**	2,894
	75,857	55,052	**53,083**	36,201
Provision for diminution in value	**(11,120)**	(9,528)	**(3,697)**	(1,537)
	64,737	**45,524**	**49,386**	**34,663**
15.1 PROVISION BALANCE IS MADE UP OF THE FOLLOWING:				
Opening balance	**9,528**	344	**1,537**	288
Charge during the period	**3,053**	4,577	**2,450**	1,249
Write back of provision	**(858)**	-	**(290)**	-
Per profit and loss account (note 13)	**2,195**	4,577	**2,160**	1,249
Exceptional item (note 19.1)	**(603)**	4,607	**-**	-
	1,592	9,184	**2,160**	1,249
	11,120	**9,528**	**3,697**	**1,537**
(a) Listed equity securities				
Guaranty Trust Bank Plc	**1,360**	1,360	**1,360**	1,360
FBN Heritage Fund	**2,540**	2,900	**1,500**	1,500
SCOA Plc	**34**	34	**34**	34
Transnational Corporation Plc	**250**	250	**-**	-
Honeywell Flour Mills Plc	**4,889**	-	**4,889**	-
Other companies	**15,079**	15,057	**-**	-
	24,152	**19,601**	**7,783**	**2,894**
Movement in investment securities				
Opening balance	**55,052**	53,605	**36,201**	44,797
Purchase of long-term investments	**24,608**	15,313	**20,685**	5,234
Proceed from disposal of investments	**(3,803)**	(13,866)	**(3,803)**	(13,830)
	75,857	**55,052**	**53,083**	**36,201**

	The Group		The Bank	
	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million
(b) Unlisted equity securities				
African Finance Corporation (note 15.2)	**12,728**	12,728	**12,728**	12,728
Zain Nigeria Limited	**2,909**	2,909	**2,909**	2,909
Communication Domain Limited	**194**	194	**-**	-
Banque Internationale Du Benin, Cotonou	**155**	155	**155**	155
Onwuka Hi-Tech Industry Plc	**5**	5	**5**	5
Mama Cass	**450**	-	**-**	-
Planet One	**75**	-	**-**	-
Premium Farms Limited	**230**	-	**-**	-
FRED Funds	**2**	-	**-**	-
Nigeria Interbank Settlement System Plc	**52**	52	**52**	52
African Export-Import Bank, Cairo	**10**	10	**10**	10
Consolidated Discounts Limited	**15**	15	**15**	15
ValuCard Nigeria Plc	**186**	186	**186**	186
ATM Consortium Limited	**77**	77	**77**	77
NITEL Plc (note 15.3)	**2,175**	2,175	**2,175**	2,175
Capital Alliance Property Investment Company (CAPIC)	**2,116**	-	**1,031**	-
Niger Delta Exploration Production Plc	**32**	32	**-**	-
Food Concepts Plc	**166**	144	**-**	-
Others	**531**	1,478	**-**	-
	22,108	**20,160**	**19,343**	**18,312**
SMIEIS Investments (note 15iii)				
SME Managers Limited	**1,025**	1,081	**1,025**	1,081
Chase Executive Partners Limited	**30**	30	**30**	30
First Funds Limited	**2,671**	5,949	**2,671**	5,949
Interswitch limited	**31**	31	**31**	31
	3,757	**7,091**	**3,757**	**7,091**
	25,865	**27,251**	**23,100**	**25,403**

i. The market value of short-term investments are Group ₦10.6 billion (31 March 2009: ₦10.9 billion) and Bank ₦1.6 billion (31 March 2009: ₦2.2 billion).

ii. Included in listed debt securities is ₦9.8 billion (31 March 2009: ₦7.4 billion) in various Federal Government of Nigeria Bonds. The maturity date of these bonds ranges from December 2012 to June 2025 with interest rates ranging from 9% to 15%.

iii. The Bank makes investments under the Small and Medium Enterprises Equity Investment Scheme (SMEEIS) per the Policy Guidelines for 2001 Fiscal Year (Monetary Policy Circular No. 35). Included in unlisted long-term investments are the Bank's investment under the Small and Medium Industries Equity Investment Scheme (SMIEIS). A total of ₦3.7 billion (31 March 2009: ₦7.1 billion) has so far been invested under the scheme. During the period, the Bank transferred part of its investments in SMEEIS companies to one of its subsidiaries as investments in equity. This provision has been charged against the SMEEIS reserve. Due to the effective percentage holding of the Bank in these companies, some of them qualify as associates. However, they are not consolidated as the Bank is not expected to exercise influence and control is temporary. Also, the investments are expected to be realised within five years.

15.2 African Finance Corporation – AFC

This represents the Bank's 9.18% holding in African Finance Corporation. The company was incorporated in 2007 to carry on the business of private sector led investment banking and development finance as stated in the Memorandum of Association. The company commenced operations in 2007.

15.3 NITEL Plc

This represents the nominal value of the shares awarded to the Bank by the Bureau for Public Enterprises (BPE) in respect of the Investors International (London) Limited – IILL/First Bank of Nigeria Plc botched transactions as investment in NITEL. In the year 2001, First Bank of Nigeria Plc granted IILL credit facility to participate in the bid for a 51% holding in NITEL Plc as offered by the BPE. IILL paid the 10% non-refundable fee but could not meet its obligation for the 90% balance. The transaction was thereafter cancelled by the Bureau for Public Enterprise and the 10% was not refunded. Also, IILL could not pay back the facility obtained from the Bank. The Bank thereafter classified the facility lost in its books with full provision made. In the year 2008, BPE revisited the transaction and awarded the Bank a total of 4,300,102,076 units of ordinary shares at 50k each in NITEL Plc with no additional financial consideration.

16 INVESTMENT IN ASSOCIATES

	The Group		The Bank	
	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million
Kakawa Discount House Limited	**2,884**	2,884	**2,224**	2,224
Twin Peaks Estate Development Limited	**364**	-	**-**	-
	3,248	**2,884**	**2,224**	**2,224**

17 INVESTMENT IN SUBSIDIARIES

		The Group		The Bank	
	%	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million
FBN Bank (UK) Limited (note 17i)	100	**-**	-	**18,441**	18,441
FBN Capital Limited (note 17ii)	100	**-**	-	**4,300**	4,300
First Pension Custodian Nigeria Limited (note 17iii)	100	**-**	-	**2,000**	2,000
First Trustees Nigeria Limited (note 17iv)	100	**-**	-	**23**	23
FBN Mortgages Limited (note 17v)	100	**-**	-	**2,100**	2,100
FBN Insurance Brokers Limited (note 17vi)	100	**-**	-	**15**	15
First Registrars Nigeria Limited (note 17vii)	100	**-**	-	**10**	10
FBN Bureau de Change Limited (note 17viii)	100	**-**	510	**500**	510
FBN Microfinance Bank Limited (note 17ix)	100	**-**	1,000	**1,000**	1,000
First Funds Limited (note 17x)	100	**-**	-	**2,050**	50
		-	**1,510**	**30,439**	**28,449**
Diminution of investments – subsidiaries		**-**	**-**	**23**	**-**
Total investments – subsidiaries		**-**	**1,510**	**30,416**	**28,449**

i. FBN Bank (UK) Limited

FBN Bank (UK) Ltd ('FBNUK') is a company incorporated in the United Kingdom under the Companies Act 1985 as a UK registered bank authorised by the Financial Services Authority to accept deposits and undertake banking business. FBNUK was incorporated in November 2002. It is a wholly owned subsidiary of First Bank of Nigeria Plc. The Bank has a branch in Paris.

ii. FBN Capital Limited

FBN Capital Limited is a private limited liability company incorporated in Nigeria and commenced operations on 1 April 2005. It is registered with the Securities and Exchange Commission to undertake issuing house business. It is also involved in the business of asset management and financial advisory services.

iii. First Pension Custodian Nigeria Limited

First Pension Custodian Nigeria Limited was incorporated on 12 August 2005 and granted an approval in principle by the National Pension Commission on 1 August 2005 while the operating licence was obtained on 7 December 2005. The principal activity of the Company is to act as a Custodian of Pension Fund Assets in accordance with the Pension Reform Act, 2004.

iv. First Trustees Nigeria Limited

First Trustees Nigeria Limited was incorporated in Nigeria as a private limited liability company on 8 August 1979 and commenced business on 3 September 1979. The Company was established to engage in the business of trusteeship as well as portfolio management, financial/investment advisory services and loan syndication.

v. FBN Mortgages Limited

The Company was incorporated on 17 March 2003 and commenced operations on 1 May 2004. Its principal activities include acceptance of deposits, provision of mortgage finance for customers and investment in properties.

vi. FBN Insurance Brokers Limited

The Company was incorporated under the Companies and Allied Matters Act CAP C20 LFN 2004, as a limited liability company on 31 March 1994 with the name "Trust Link Insurance Brokers Limited". The Company prepared financial statements up to 31 March 1998 after which it became dormant. The Company was resuscitated on 1 April 2000 as FBN Insurance Brokers Limited. The principal activity of the Company is as an insurance brokerage business.

vii. First Registrars Nigeria Limited

First Registrars Nigeria Limited was incorporated on 19 May 1999 and commenced operations on 1 April 2000. The Company is established to provide share register administration and custodian services. This includes administration and maintenance of companies' share registers, share registration, verification of share transfers, transmission, payment of dividends and organisation of annual general meetings.

viii. FBN Bureau de Change Limited

This represents the Bank's 100% holding in FBN Bureau de Change Limited. The Bank obtained approval from the Central Bank of Nigeria to operate a bureau de change on 8 August 2006.

ix. FBN Microfinance Bank Limited

The Bank was incorporated in Nigeria on 18 March 2008 under the provisions of the Companies and Allied Matters Act CAP C20 LFN 2004 with Registration Number RC 736874. It was licensed to carry on the business of microfinance banking on 25 August 2008 by the Central Bank of Nigeria. It commenced microfinance banking on 19 January 2009.

x. First Funds Limited

First Funds Limited was incorporated on 14 November 2002. It commenced operations on 1 April 2003. It is a wholly-owned subsidiary of First Bank of Nigeria Plc. Its principal activity is to carry out venture capital and private equity business.

17.1 Condensed results of consolidated entities

	FBN Capital Limited ₦'million	First Pension Custodian Nig. Ltd ₦'million	First Trustees Limited ₦'million	FBN Micro-finance Bank Limited ₦'million	FBN Insurance Brokers Limited ₦'million	First Registrars Nigeria Limited ₦'million	FBN Mort-gages Limited ₦'million	First Funds Limited ₦'million	FBN Bureau de Change Limited ₦'million	FBN Bank (UK) Limited ₦'million
Condensed profit and loss										
Operating income	6,504	996	312	284	453	3,398	1,636	435	465	3,435
Operating expenses	(7,761)	(521)	(595)	(247)	(204)	(865)	(1,492)	(237)	(136)	(1,758)
Provision expense	(456)	-	3,397	(4)	(27)	232	(60)	-	-	(1,508)
(Loss)/profit before tax	(1,713)	475	3,114	33	222	2,765	84	198	329	169
Tax	(273)	(131)	(52)	(28)	(79)	(1,079)	(80)	(96)	(111)	(56)
(Loss)/profit for the period	**(1,986)**	**344**	**3,062**	**5**	**143**	**1,686**	**4**	**102**	**218**	**113**

17.1 Condensed results of consolidated entities (CONT'D)

	FBN Capital Limited ₦'million	First Pension Custodian Nig. Ltd ₦'million	First Trustees Limited ₦'million	FBN Micro-finance Bank Limited ₦'million	FBN Insurance Brokers Limited ₦'million	First Registrars Nigeria Limited ₦'million	FBN Mort-gages Limited ₦'million	First Funds Limited ₦'million	FBN Bureau de Change Limited ₦'million	FBN Bank (UK) Limited ₦'million
Condensed Financial position										
Assets										
Cash and balances with the Central Bank	1	8	-	16	130	-	3	-	-	26
Due from other banks	88,136	2,701	30	13,154	464	23,545	30	24	646	204,026
Loans and advances to customers	3,029	-	2,894	195	-	-	1,521	-	-	64,544
Insurance receivables	-	-	-	-	417	-	-	-	-	-
Investment securities	2,841	-	7,504	-	194	2,337	3,092	2,546	-	3,390
Managed funds	-	-	83,984	-	633	-	-	13	-	-
Other assets	463	202	101	158	80	493	2,170	80	155	423
Investment property	482	-	-	-	-	-	6,150	-	-	-
Deferred tax	-	-	-	-	-	-	-	-	-	21
Property and equipment	189	130	71	339	65	494	140	31	18	294
	95,141	**3,041**	**94,584**	**13,862**	**1,983**	**26,869**	**13,106**	**2,694**	**819**	**272,724**
Financed by										
Customer deposits	-	-	-	289	-	-	-	-	-	108,848
Due to other banks	-	-	113,140	12,510	-	-	8,853	13	-	119,148
Borrowed funds	49,000	-	-	-	-	-	745	-	-	3,930
	786	354	80	20	194	2,399	245	195	108	202
Other liabilities	3,900	351	1,795	30	75	19,777	932	61	91	16,378
	35,499	-	-	-	633	-	-	-	-	-
Provisions on insurance contracts	-	-	-	8	615	-	-	-	-	-
Deferred income tax liabilities	420	6	-	-	9	24	18	10	3	-
Equity and reserves	5,536	2,330	(20,431)	1,005	457	4,669	2,313	2,415	617	24,218
	95,141	**3,041**	**94,584**	**13,862**	**1,983**	**26,869**	**13,106**	**2,694**	**819**	**272,724**

17.1 Condensed results of consolidated entities (CONT'D)

	FBN Capital Limited ₦'million	First Pension Custodian Nig. Ltd ₦'million	First Trustees Limited ₦'million	FBN Micro-finance Bank Limited ₦'million	FBN In-surance Brokers Limited ₦'million	First Registrars Nigeria Limited ₦'million	FBN Mort-gages Limited ₦'million	First Funds Limited ₦'million	FBN Bureau de Change Limited ₦'million	FBN Bank (UK) Limited ₦'million
Condensed cashflows										
Net cash from operating activities	13,766	412	287	20	227	1,992	(1,277)	97	270	(6,524)
Net cash from financing activities	49,000	-	-	1,000	(81)	(627)	(3)	1,935	389	-
Net cash from investing activities	290	(68)	(268)	(360)	(30)	(276)	(58)	(756)	(13)	(114)
Increase/ (decrease) in cash and cash equivalents	63,056	344	19	660	116	1,089	(1,338)	1,276	646	(6,638)
At period start	25,081	2,364	12	-	483	22,456	3,676	539	-	8,338
At period end	88,137	2,708	31	660	599	23,545	2,338	1,815	646	1,700
	63,056	**344**	**19**	**660**	**116**	**1,089**	**(1,338)**	**1,276**	**646**	**(6,638)**

18 TRADING SECURITIES (BOND TRADING)

	The Group		The Bank	
	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million	9 months to 31 Dec 2009 ₦'million	12 months to 31 Mar 2009 ₦'million
Bonds (held for trade)	**15,050**	6,758	**15,050**	6,758
Bonds (available for sale)	**206,813**	144,353	**206,813**	144,353
	221,863	**151,111**	**221,863**	**151,111**

19 MANAGED FUNDS

	The Group		The Bank	
	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million
Bank balances	**24**	449	**-**	-
Quoted investments market value ₦15 billion (31 March 2009 – ₦72 billion)	**37,138**	38,651	**-**	-
Treasury bills	**209**	-	**-**	-
Bankers' acceptance	**65,602**	18,617	**-**	-
Government bonds	**22**	23	**-**	-
Managed real estate investments	**650**	650	**-**	-
Others	**13**	10	**-**	-
	103,658	58,400	**-**	-
Provision for diminution in value of investments (note 19.1)	**(19,028)**	(21,506)	**-**	-
	84,630	**36,894**	**-**	**-**

This represents funds and deposits received from corporate and individual clients for investments, under mutually agreed terms.

	The Group		The Bank	
	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million
19.1 EXCEPTIONAL ITEM – PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS				
Balance brought forward:				
– Managed funds	**21,506**	-	**-**	-
– Own investments	**4,607**	-	**-**	-
	26,113	**-**	**-**	**-**
(Write back)/Provision during the period/year:				
– Managed funds	**(2,478)**	21,506		
– Own investments	**(603)**	4,607		
	(3,081)	**26,113**	**-**	**-**
Balance at end of period:				
– Managed funds (note 19)	**19,028**	21,506	**-**	**-**
– Own investments (note 19)	**4,004**	4,607	**-**	**-**
	23,032	**26,113**	**-**	**-**

In the prior year, provision for the diminution in the value of quoted securities held on behalf of its clients and on its own held securities, as a result of the situation in the Nigerian Capital Market, was made in the books of one of the subsidiaries of the Bank. However, as at the end of the current financial period, prices of the quoted securities appreciated. The resultant appreciation in the prices of quoted stocks has been included as part of provisions no longer required and treated in the ordinary course of business in the financial statements.

20 OTHER ASSETS

	The Group		The Bank	
	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million
Fraud and loss suspense	**1,570**	1,335	**1,570**	1,335
Interest and fee receivable	**13,628**	6,782	**13,187**	6,723
Prepayments	**6,011**	2,812	**5,124**	2,278
Premium debtors and receivable from underwriters	**429**	382	**-**	-
Accounts receivable	**12,921**	12,185	**11,011**	10,935
Deferred acquisition expenses	**12,012**	9,118	**11,997**	10,337
Open buy-back Treasury bills	**3,277**	3,277	**3,277**	3,277
Inventory	**1,479**	1,003	**1,461**	998
BDC trading stock	**125**	-	**-**	-
Other receivables	**2,760**	7,660	**2,536**	5,356
Investment suspense	**2,594**	5,000	**2,594**	4,900
Deposit for investments by subsidiaries	**-**	713	**-**	-
Deposit with the Nigerian Stock Exchange	**2**	1	**-**	-
Mandatory deposit with CBN	**30**	-	**-**	-
NDIC deposit insurance premium	**97**	3,812	**-**	3,671
	56,935	54,080	**52,757**	49,810
Provision for doubtful receivables (note 20.1)	**(1,709)**	(2,196)	**(1,512)**	(1,803)
	55,226	**51,884**	**51,245**	**48,007**
20.1 MOVEMENT IN PROVISION FOR DOUBTFUL RECEIVABLES				
At start of the period	**2,196**	1,791	**1,803**	1,692
Amounts written off	**(76)**	(201)	**(76)**	(200)
	2,120	1,590	**1,727**	1,492
Additional provision	**(398)**	608	**(215)**	311
Recoveries	**(13)**	(2)	**-**	-
Per profit and loss account (note 13)	**(411)**	606	**(215)**	311
At 31 December	**1,709**	**2,196**	**1,512**	**1,803**

21 INVESTMENT PROPERTY

	The Group		The Bank	
	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million
Opening net book amount	**6,098**	1,974	**-**	-
Additions and capital improvements	**2,409**	5,781	**-**	-
Disposal of investment property	**(1,876)**	(1,657)	**-**	-
Closing net book amount	**6,631**	**6,098**	**-**	**-**

This represents land and property acquired for future development and not occupied substantially by the Company or member of the Group of the holding company. They are not subjected to periodic charges for depreciation.

22 PROPERTY AND EQUIPMENT

GROUP	At period start ₦'million	Additions ₦'million	Disposals/ write-offs ₦'million	Exchange difference ₦'million	At period end ₦'million
Cost					
Work in progress	8	-	-	19	27
Leasehold improvements	24,005	5,785	(87)	-	29,703
Leasehold land and buildings	1,442	10	-	-	1,452
Motor vehicles	7,707	1,428	(712)	3	8,426
Office equipment	18,933	4,531	(19)	-	23,445
Computer hardware	11,414	1,386	(21)	63	12,842
Furniture and fittings	4,343	1,024	(67)	13	5,313
	67,852	**14,164**	**(906)**	**98**	**81,208**
Accumulated depreciation					
Leasehold improvements	1,624	334	(6)	12	1,964
Leasehold land and buildings	285	28	-	-	313
Motor vehicles	4,408	1,123	(496)	1	5,036
Office equipment	10,125	2,354	(14)	-	12,465
Computer hardware	8,877	1,275	(2)	44	10,194
Furniture and fittings	2,838	432	(21)	7	3,256
	28,157	**5,546**	**(539)**	**64**	**33,228**
Net book value					
Work in progress	8				27
Leasehold improvements	22,381				27,739
Leasehold land and buildings	1,157				1,139
Motor vehicles	3,299				3,390
Office equipment	8,808				10,980
Computer hardware	2,537				2,648
Furniture and fittings	1,505				2,057
	39,695				**47,980**

BANK	At period start ₦'million	Additions ₦'million	Disposals/ write-offs ₦'million	At period end ₦'million
Cost				
Leasehold improvements	1,361	49	-	1,410
Leasehold land and buildings	23,561	5,788	(87)	29,262
Motor vehicles	7,031	1,296	(663)	7,664
Office equipment	18,892	4,475	(9)	23,358
Computer hardware	10,332	1,252	-	11,584
Furniture and fittings	3,953	645	(64)	4,534
	65,130	**13,505**	**(823)**	**77,812**
Accumulated depreciation				
Leasehold improvements	261	16	-	277
Leasehold land and buildings	1,563	315	-	1,878
Motor vehicles	4,115	998	(456)	4,657
Office equipment	10,106	2,348	(8)	12,446
Computer hardware	8,143	1,117	-	9,260
Furniture and fittings	2,624	388	(20)	2,992
	26,812	**5,182**	**(484)**	**31,510**
Net book value				
Leasehold improvements	21,998			27,384
Leasehold land and buildings	1,100			1,133
Motor vehicles	2,916			3,007
Office equipment	8,786			10,912
Computer hardware	2,189			2,324
Furniture and fittings	1,329			1,542
	38,320			**46,302**

Certain land and buildings (own premises only) with a net book value of ₦187.7 million were professionally valued at ₦1.18 billion on 31 December 1990 by Messrs Jide Taiwo & Co. and Diya Fatimilehin & Co., Estate Surveyors and Valuers on the basis of open market value between a willing seller and buyer. The sum of ₦448.152 million was then recognised as revaluation reserve in the financial statements.

During the year ended 31 December 1995, selected land and buildings (own premises only) including those revalued at 31 December 1990, were professionally re-valued at ₦5,056.4 million by Messrs Jide Taiwo & Co. and Diya Fatimilehin & Co., Estate Surveyors and Valuers on the basis of open market value between a willing seller and buyer. In compliance with the Central Bank of Nigeria's guidelines on recognition of revaluation reserve on own premises, the sum of ₦1,931 million was incorporated in the account. This represents the revaluation surplus of ₦4,291.4 million discounted by 55%.

Revaluation of land and buildings is carried out at the discretion of the directors and it is considered as and when necessary.

The Bank had capital commitments of ₦4.212 billion (31 March 2009: ₦2.153 billion) as at 31 December 2009.

23 CUSTOMER DEPOSITS

	The Group		The Bank	
	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million
Current deposits	**508,774**	523,368	**512,029**	539,285
Savings deposits	**265,833**	241,926	**265,488**	241,798
Term deposits	**326,556**	227,355	**339,561**	207,902
Domiciliary deposits	**118,189**	69,796	**118,189**	69,796
Electronic purse	**1,332**	13,055	**1,332**	13,055
	1,220,684	1,075,500	**1,236,599**	1,071,836
Outside Nigeria				
Demand	**25,140**	15,632	**-**	-
Time	**93,318**	103,324	**-**	-
	118,458	118,956	**-**	-
Total	**1,339,142**	**1,194,455**	**1,236,599**	**1,071,836**

23.1 ANALYSIS BY MATURITY

	The Group 31 Dec 2009 ₦'million	The Group 31 Mar 2009 ₦'million	The Bank 31 Dec 2009 ₦'million	The Bank 31 Mar 2009 ₦'million
0–30 days	**481,647**	396,217	**440,741**	380,557
1–3 months	**263,488**	194,563	**257,295**	266,786
3–6 months	**336,817**	163,195	**311,445**	156,601
6–12 months	**127,840**	172,103	**112,969**	172,103
Over 12 months	**129,350**	268,378	**114,149**	95,789
	1,339,142	**1,194,456**	**1,236,599**	**1,071,836**

24 DUE TO OTHER BANKS

	The Group		The Bank	
	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million
In Nigeria				
Inter-bank takings	**106,191**	47,098	**40,912**	49,448
Outside Nigeria				
Due to banks outside Nigeria (note 24.1)	**67,089**	123,312	**24,175**	29,532
	173,280	**170,410**	**65,087**	**78,980**

24.1 DUE TO BANKS OUTSIDE NIGERIA

	The Group 31 Dec 2009 ₦'million	The Group 31 Mar 2009 ₦'million	The Bank 31 Dec 2009 ₦'million	The Bank 31 Mar 2009 ₦'million
– Due to other banks outside Nigeria	**54,211**	104,610	**11,297**	10,829
– Due to subsidiaries outside Nigeria	**12,878**	18,702	**12,878**	18,702
	67,089	**123,312**	**24,175**	**29,531**

25 LIABILITY ON INVESTMENT CONTRACTS (MANAGED FUNDS)

	The Group		The Bank	
	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million
Other managed funds	**148,224**	93,296	**-**	-
Details of other managed funds				
Long-term clients	**39,111**	38,754	**-**	-
Short-term clients	**44,041**	467	**-**	-
Guaranteed fixed income	**35,072**	24,075	**-**	-
Guaranteed principal liabilities	**30,000**	30,000	**-**	-
At end of the period	**148,224**	93,296	**-**	-

Other managed funds represent monies administered by the Group under trust contracts. Some of the investors in the trust product are guaranteed their principal as well as interest, while others are not under the guaranteed principal covenant.

26 OTHER BORROWINGS

	The Group		The Bank	
	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million
FBN Capital Finance Company, Cayman Islands (note 26.1)	**25,734**	25,266	**25,734**	25,266
European Investment Bank (note 26.2)	**9,739**	9,776	**9,739**	9,776
	35,473	35,042	**35,473**	35,042

Increase was as a result of change in interest rate (reporting currency is naira and loan currency is FCY).

26.1

This represents dollar notes issued by FBN Capital Finance Company, Cayman Islands on 30 March 2007 for a period of 10 years. Interest on the notes is payable at 9.75% per annum. The loan is repayable at six-monthly intervals over a period of five years commencing from 29 March 2012. The loan is a subordinated debt and is non-callable in the first five years.

26.2

This represents a medium-term loan (callable notes) secured from the European Investment Bank. The loan is divided into tranche A of euro 35 million for a tenure of five years and tranche B of euro 15 million for a tenure of eight years, which qualifies it as Tier II capital. Interest is payable half-yearly at 2% and 3% above the LIBOR rate for tranche A and tranche B respectively. The facility was secured by negative pledge.

	The Group		The Bank	
ANALYSIS BY MATURITY	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million
Over 12 months	**35,473**	35,042	**35,473**	35,042

27 OTHER LIABILITIES

	The Group		The Bank	
	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million
Fraud and losses	**1,574**	1,580	**1,570**	1,372
Customer deposits for letters of credit (note 11.1)	**23,728**	46,592	**23,728**	46,592
Deposit for foreign currency	**889**	250	**889**	250
Interest payable	**7,687**	4,339	**7,685**	4,291
Account payables	**7,150**	9,810	**7,099**	9,706
Unearned discounts	**10,607**	8,303	**10,128**	8,139
Proceeds from public offers	**996**	1,763	**15**	15
Provision and accruals	**6,697**	9,823	**4,482**	5,888
Bank cheques	**18,637**	16,954	**18,629**	16,942
Provision on losses for off balance sheet items	**39**	39	**39**	39
Collection on behalf of third parties	**3,637**	2,606	**2,765**	2,606
Premium payable	**615**	476	**-**	-
Trade creditors	**15,645**	14,021	**-**	-
Clients' dividend (note 27.1)	**19,144**	19,284	**-**	-
Exchange equalisation (note 27.2)	**5,362**	10,010	**5,362**	10,010
Sundry creditors	**11,686**	8,200	**9,781**	3,946
Uncleared effect	**1,614**	7	**-**	-
	135,707	**154,057**	**92,172**	**109,796**

27.1 Clients' dividend

This represents dividend due to shareholders of the various clients of First Registrars Nigeria Limited as at period end.

27.2 Exchange equalisation

Exchange equalisation balance represents exchange gain on foreign currency position arising from exchange rate difference.

28 DEFERRED TAXES

	The Group		The Bank	
	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million
Deferred tax liabilities	**10,612**	**13,634**	**10,144**	**12,758**
Movement in deferred taxes				
At start of the period	**13,634**	6,743	**12,758**	6,712
Adjustments from subsidiaries	**2**	(10)	**-**	-
Reclassification to tax payable (CIT) (note 28.1)	**(7,114)**	-	**(7,114)**	-
Charge	**4,090**	6,901	**4,500**	6,046
At end of the period	**10,612**	**13,634**	**10,144**	**12,758**

28.1 Reclassifications to tax payable

This represents reclassification to income tax payable for tax liability that has crystallised as at the period of review.

29 RETIREMENT BENEFIT OBLIGATIONS

	The Group		The Bank	
	31 Dec 2009 ₦'million	**31 Mar 2009 ₦'million**	**31 Dec 2009 ₦'million**	**31 Mar 2009 ₦'million**
Defined contribution schemes	**332**	332	**153**	202
Defined benefit schemes	**391**	-	**391**	516
	725	**332**	**544**	**718**
Movement in the defined contribution liability recognised in the balance sheet				
At start of the period	**332**	450	**202**	362
Charge to profit and loss	**2,183**	4,083	**1,934**	3,977
Funds recalled during the year	**-**	1,655	**-**	1,655
Payments to ex-staff (withdrawals)	**(200)**	(3,332)	**-**	(3,332)
Contributions remitted (PFAs/trustees)	**(1,983)**	(2,524)	**(1,983)**	(2,460)
At end of the period	**332**	**332**	**153**	**202**

The Group and its employees make a joint contribution of 15% of basic salary, housing and transport allowance to each employee's retirement savings account maintained with their nominated Pension Fund Administrators.

	The Group		The Bank	
	31 Dec 2009 ₦'million	**31 Mar 2009 ₦'million**	**31 Dec 2009 ₦'million**	**31 Mar 2009 ₦'million**
Movement in the defined benefit liability recognised in the balance sheet				
At start of the period	**516**	505	**516**	505
Charge to profit and loss	**2,956**	1,012	**2,956**	1,012
Payments in the period	**(3,081)**	(1,517)	**(3,081)**	(1,001)
At end of the period	**391**	**-**	**391**	**516**

The Group operates a defined benefit scheme where qualifying employees receive a lump sum payment based on the number of years served after an initial qualifying period of five years and gross salary on date of retirement.

	The Group		The Bank	
	31 Dec 2009 ₦'million	**31 Mar 2009 ₦'million**	**31 Dec 2009 ₦'million**	**31 Mar 2009 ₦'million**
The principal actuarial assumptions used were as follows:				
– Discount rate	**10%**		**10%**	
– Average rate of inflation	**10%**		**10%**	
– Future salary increases	**Nil**		**Nil**	

30 SHARE CAPITAL

	The Group		The Bank	
	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million
Authorised				
30 billion ordinary shares of 50k each	**15,000**	**15,000**	**15,000**	**15,000**

	Number millions	Group ₦'million	Bank ₦'million
At 1 April	**24,864**	12,432	**12,432**
Transfer from bonus issue reserve	**4,144**	2,072	**2,072**
At 31 December	**29,008**	**14,504**	**14,504**

At the 40th Annual General Meeting held on 22 August 2009 the shareholders approved the capitalisation of the sum of ₦2.072 billion standing in the Bonus Reserve to shareholders whose names appeared on the register of members at the close of business on 17 July 2009 on the basis of one new ordinary share for every six ordinary shares held by them on that day.

31 SHARE PREMIUM

	The Group	The Bank
	₦'million	₦'million
At 31 December	**254,524**	**254,524**

The share premium was as a result of the 2007 hybrid offer by the Bank and all necessary charges and deductions have been made in arriving at the balance.

32 RESERVES

GROUP	Statutory reserve ₦'million	Exchange difference reserve ₦'million	Retained earnings ₦'million	Bonus issue reserve ₦'million	SMIEIS reserve ₦'million	Revaluation reserve (property) ₦'million	Total ₦'million
At period start	23,424	733	30,648	2,072	11,193	2,379	54,805
Transfer to share capital	-	-	-	(2,072)	-	-	-
Dividend paid	-	-	(33,565)	-	-	-	(33,565)
	23,424	**733**	**(2,917)**	**-**	**11,193**	**2,379**	**21,240**
Net change due to exchange rate movement	-	3,229	577	-	-	-	3,806
Provision for doubtful SMEEIS investments	-	-	-	-	(1,277)	-	-
Transfer from profit and loss account	236	-	2,889	-	64	-	3,125
At period end	**23,660**	**3,962**	**549**	**-**	**9,980**	**2,379**	**28,171**

32.1

In respect of the current year, the directors propose that a dividend of 10 kobo per ordinary share be paid to shareholders. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. Dividend to shareholders is now accounted for on the date of declaration as they do not meet criteria of present obligation in Statement of Accounting Standard 23. The proposed dividend is subject to withholding tax at the appropriate tax rate and is payable to shareholders whose names appear in the Register of Members at closure date. The total estimated dividend to be paid is ₦2.9 billion.

BANK	Statutory reserve ₦'million	Exchange difference reserve ₦'million	Retained earnings ₦'million	Bonus issue reserve ₦'million	SMIEIS reserve ₦'million	Revaluation reserve (property) ₦'million	Total ₦'million
At period start	23,284	2,836	42,334	2,072	11,193	2,379	68,454
Transfer to share capital	-	-	-	(2,072)	-	-	-
Dividend paid	-	-	(33,565)	-	-	-	(33,565)
	23,284	**2,836**	**8,769**	**-**	**11,193**	**2,379**	**34,889**
Provision for doubtful SMEEIS investments	-	-	-	-	(1,277)	-	-
Transfer from profit and loss account	191	-	1,020	-	64	-	1,211
At period end	**23,475**	**2,836**	**9,789**	**-**	**9,980**	**2,379**	**36,100**

Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S16 (1) of the Bank and Other Financial Institutions Act of 1991 (amended), an appropriation of 30% of profit after tax is made if the statutory reserve is less than the paid-up share capital, and 15% of profit after tax if the statutory reserve is greater than the paid-up share capital.

The SMEEIS reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investments in qualifying small and medium-scale enterprises. Under the terms of the guideline (amended by CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and will continue after the first five years' but banks' contributions thereafter reduce to 5% of profit after tax. However, this is no longer mandatory. The small and medium-scale industries equity investment scheme reserves are non-distributable.

33 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Legal proceedings

The Group in the ordinary course of business is presently involved in 67 litigation suits amounting to ₦647,615,276 (31 March 2009: ₦259,450,780), none of which may give rise to any material contingent liability.

The directors are of the opinion that none of the aforementioned cases is likely to have a material adverse effect on the Bank and are not aware of any other pending or threatened claims and litigations.

(b) Capital commitments

At the balance sheet date, the Bank had capital commitments amounting to ₦4.212 billion (31 March 2009: ₦2.153 billion) in respect of authorised and contracted capital projects.

(c) Off balance sheet engagements

In the normal course of business, the Group is party to financial instruments with off balance sheet risk. The instruments are used to meet the credit and other financial requirements of customers. The contractual amounts of the off balance sheet financial instruments are:

	The Group		The Bank	
	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million
Performance bonds and guarantees	**306,802**	138,743	**155,062**	104,667
Letters of credit	**242,837**	242,284	**242,837**	163,510
Bankers' acceptances	**152,667**	106,491	**-**	-
Guaranteed commercial papers	**20,697**	34,076	**20,697**	34,076
Treasury bills, intermediation and others	**249,598**	174,784	**12,720**	12,720
	972,601	**696,378**	**431,316**	**314,973**

34 RELATED PARTY TRANSACTIONS

A number of banking transactions are entered into with related parties in the normal course of business. These include loans, deposits and foreign currency transactions. The volumes of related party transactions, outstanding balances at the period end, and related expense and income for the period are as follows:

(a) Risk assets outstanding as at 31 December 2009

Direct credit assets

Included in loans and advances is an amount of ₦117.2 billion (March 2009: ₦49 billion) representing credit facilities to companies in which certain directors and shareholders have interests. The non-performing balances as at 31 December 2009 are as follows:

Name of company/ individual	Relationship	Facility type	₦'million	Status	Security status
SeaWolf Oil Field Services Limited	Non-Ex. Director	Loan	87,886	Performing	L/M over oil rigs
Honeywell Flour Mill Ltd (B&G)	Chairman	Loan	8,838	Performing	Legal mortgage on property cross guarantee
Honeywell Oil & Gas Ltd	Chairman	Loan	2,605	Performing	Lien on assets
Pivot Engineering Ltd	Chairman	Loan	3,041	Performing	Cross guarantee on debenture
Broadview Engineering Ltd (B&G)	Chairman	Loan	7	Performing	Corporate guarantee & counter indemnity
Anchorage Leisure Ltd	Chairman	Loan	2,886	Performing	Debenture on fixed & floating assets
Fan Milk Plc	Chairman	Loan	53	Performing	Mortgage debenture
Khalil & Dibbo Transport Ltd	Chairman	Loan	307	Performing	Mortgage debenture
P. W. Nig. Ltd	Non-Ex. Director	Loan	7,465	Performing	Mortgage debenture
Leadway Capital and Trusts Ltd	Non-Ex. Director	Loan	267	Performing	Lien on shares
Leadway Hotels	Non-Ex. Director	Loan	278	Performing	Mortgage debenture
Incar Nigeria Plc	Ex-Chairman	Loan	1,262	Performing	Legal mortgage on property
Sea Trucks Nigeria Ltd	Ex-Chairman	Loan	1,860	Performing	Corporate guarantee, legal mortgage on refinanced vessels
Deanshanger Projects Ltd	Ex-Chairman	Loan	289	Performing	Mortgage debenture
NNIL Commercial Co Ltd	Non-Ex. Director	Loan	93	Non-performing	Charge over shares
Mystrose Nig. Ltd	Son to related party	Loan	7	Non-performing	Domiciliation, personal guarantees
Hacket Nig. Ltd	Son to related party	Loan	25	Non-performing	Legal ownership of vehicle
			117,167		

(b) Operating lease contracts as at 31 December 2009

Operating lease arrangements and the related annual rentals are as follows:

Name of company/individual	Relationship	Nature of transaction
NIL	NIL	NIL

35 EMPLOYEES AND DIRECTORS

	The Group		The Bank	
	31 Dec 2009	31 Mar 2009	31 Dec 2009	31 Mar 2009
(a) Employees				
The average number of persons employed by the Group during the year was as follows:	**Number**	**Number**	**Number**	**Number**
Executive directors	**17**	16	**8**	8
Management	**120**	313	**54**	270
Non-management	**8,620**	8,208	**8,159**	7,925
	8,757	**8,537**	**8,221**	**8,203**
Compensation for the above staff (excluding executive directors):	**₦'million**	**₦'million**	**₦'million**	**₦'million**
Salaries and wages	**35,086**	44,415	**34,334**	43,841
Pension costs				
– Defined contribution plans	**2,035**	4,015	**1,985**	3,977
– Defined benefit plans	**3,013**	1,069	**2,956**	1,012
Other retirement benefit costs	**470**	704	**-**	-
	40,604	**50,203**	**39,275**	**48,830**
The number of employees of the Group, other than directors, who received emoluments in the following ranges (excluding pension contributions), was:	**Number**	**Number**	**Number**	**Number**
₦300,001–₦2,000,000	**2,950**	2,425	**2,735**	2,312
₦2,000,001–₦2,800,000	**2,705**	2,794	**2,659**	2,758
₦2,800,001–₦3,500,000	**1,892**	1,987	**1,762**	1,890
₦3,500,001–₦4,000,000	**545**	578	**494**	560
₦4,000,001–₦5,500,000	**330**	364	**293**	342
₦5,500,001–₦6,500,000	**162**	194	**146**	178
₦6,500,001–₦7,800,000	**117**	134	**101**	126
₦7,800,001–₦9,000,000	**24**	30	**17**	24
₦9,000,001 and above	**15**	15	**6**	5
	8,740	**8,521**	**8,213**	**8,195**

	The Group	
	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million
(b) Directors		
Remuneration paid to the Group's directors was:		
Fees and sitting allowances	**29**	36
Executive compensation	**354**	354
Retirement benefit costs	**184**	240
Other director expenses and benefits	**31**	44
	599	**674**
Fees and other emoluments disclosed above include amounts paid to:		
The chairman	**4.45**	5.6
The highest paid director	**50**	**67**
The number of directors who received fees and other emoluments (excluding pension contributions) in the following ranges was:	**Number**	**Number**
Below ₦1,000,000	**-**	-
₦1,000,000–₦2,000,000	**-**	-
₦2,000,001–₦3,000,000	**-**	-
₦5,500,001 and above	**17**	16
	17	**16**

36 CASH GENERATED FROM OPERATIONS

	The Group		The Bank	
	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million
Reconciliation of profit before tax to cash generated from operations				
Operating profit	**11,585**	27,686	**7,689**	46,110
Provision for loan loss	**45,223**	19,428	**44,195**	17,595
Amounts written back on previously provisioned accounts	**(4,863)**	(5,145)	**(4,863)**	(5,141)
Provision for leases (write-back)	**(10)**	15	**(10)**	15
Interest in suspense	**4,916**	2,273	**4,381**	2,226
Loans written off	**(5,573)**	(2,781)	**(5,434)**	(2,781)
Provision for other assets	**(411)**	606	**(215)**	311
Movement in provision for investment	**4,262**	11,142	**366**	1,248
Movement in provision for investment in subsidiaries	**-**	-	**23**	-
Movement in provision for managed funds	**(2,478)**	21,506	**-**	-
Gain/(loss) on disposal of fixed assets	**94**	(657)	**95**	(653)
Deferred tax from acquiree	**410**	2,849	**-**	-
Depreciation	**5,546**	6,203	**5,182**	5,761
Dividend income	**(1,316)**	(1,007)	**(1,876)**	(3,083)
Exchange difference	**(171)**	5,628	**(455)**	5,628
Operating profit before changes in operating assets and liabilities	**57,214**	**87,746**	**49,078**	**67,236**
(Increase)/decrease in operating assets				
Cash reserve balances	**6,173**	1,783	**6,173**	1,783
Loans to customers, net of loans in acquiree (note 12)	**(377,758)**	(288,076)	**(376,658)**	(258,238)
Advances under finance leases	**944**	(1,487)	**944**	(1,487)
Insurance receivables	**(47)**	-	**-**	-
Short-term investments	**(70,752)**	(52,682)	**(70,752)**	(57,715)
Interest receivable and prepayment	**(10,045)**	-	**(9,310)**	-
Accounts receivable	**(736)**	-	**(76)**	-
Other receivables, net of sundry receivables in acquiree	**7,973**	(8,018)	**6,439**	(8,620)
	(444,248)	**(348,480)**	**(443,240)**	**(324,277)**
Increase/(decrease) in operating liabilities				
Customer deposits, net of deposits in acquiree (note 23)	**144,687**	494,274	**164,763**	410,212
Due to other banks	**2,870**	15,301	**(13,893)**	34,699
Customers' deposit for foreign currency denominated obligations	**(22,225)**	20,659	**(22,225)**	20,659
Investment contract – assets	**(45,258)**	19,127	**-**	-
Insurance contract liabilities	**54,928**	30,782	**-**	-
Interest payable and unearned income	**3,187**	(71,813)	**3,814**	8,517
Accounts payable	**688**	(7,320)	**787**	3,307
	393	-	**(174)**	-
	139,270	501,010	**133,072**	477,394
Cash (used in)/from operations	**(247,764)**	**240,276**	**(261,090)**	**220,353**

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37 EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year. The adjusted EPS is calculated using the number of shares in issue at the balance sheet date. Where a stock split has occurred, the number of shares in issue in the prior year is adjusted to achieve comparability.

	The Group		The Bank	
	31 Dec 2009	**31 Mar 2009**	**31 Dec 2009**	**31 Mar 2009**
Net profit attributable to shareholders (₦'million)	**3,189**	12,569	**1,275**	35,074
	3,189	12,569	**1,275**	35,074
Number of ordinary shares in issue as at period end (millions)	**29,008**	24,864	**29,008**	24,864
Basic earnings per share (kobo)	**10.99**	**50.55**	**4.40**	**141.06**

38 CASH AND CASH EQUIVALENTS

For the purposes of the cashflow statement, cash and cash equivalents include cash and non-restricted balances with the Central Bank, treasury bills and other eligible bills, operating account balances with other banks, amounts due from other banks and short-term government securities.

	The Group		The Bank	
	31 Dec 2009 ₦'million	**31 Mar 2009 ₦'million**	**31 Dec 2009 ₦'million**	**31 Mar 2009 ₦'million**
Cash and balances with the Central Bank (less restricted balances)	**60,967**	124,751	**58,211**	124,701
Treasury bills and eligible bills	**14,219**	17,697	**14,219**	17,697
Due from other banks	**515,848**	764,246	**256,048**	510,810
	591,034	**906,694**	**328,478**	**653,208**

39 COMPLIANCE WITH BANKING REGULATIONS

The Bank did not contravene any regulation of the Banks and Other Financial Institutions Act CAP 3 LFN 2004 or relevant circulars issued by the Central Bank of Nigeria.

40 EVENTS AFTER THE BALANCE SHEET DATE

Supreme Court judgement on former MD/CEO Mr B O Longe

In 2002, the appointment of the then Bank's MD/CEO, Mr Bernard Ojeifo Longe, was revoked by the Board. He consequently instituted a court case challenging the validity of the revocation.

In spite of the Bank's victory at the Federal High Court and the Court of Appeal, on 5 March 2010, the Supreme Court gave a final judgement against the Bank to the effect that Mr B O Longe's removal as MD/CEO was ineffective as it was not in conformity with the provisions of S.266 (3) of the Companies and Allied Matters Act. The Supreme Court neither faulted the reasons for his removal nor the power of the Board to remove him.

Pursuant to the judgement, the Bank had commenced discussion with Mr Bernard Longe with a view to reaching a speedy and amicable final resolution which will translate into payment of financial compensation to him.

SNECOU (Bayelsa State Government)

On 26 January 2010 the Federal High Court of Lagos State gave judgement against the Bank in a case involving the Bank, Bayelsa State Government and SNECOU GROUP (The Plaintiff).

The Court ruled that a total sum of ₦5.2 billion be paid by First Bank of Nigeria Plc to SNECOU GROUP for failure to honour an Irrevocable Standing Payment Order. The Bank and Bayelsa State Government have, however, appealed against the judgement contesting the ruling. No liability was contemplated in the books of the Bank as at 31 December 2009.

41 COMPARATIVES

The financial statements are being presented in line with the format prescribed for all banks in Nigeria by the Central Bank of Nigeria with effect from the period ended 31 December 2009.

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

Financial Risk Analysis

For the period ended 31 December 2009

PERFORMING BUT PAST DUE LOANS

Loans and advances less than 90 days past due are considered performing, unless other information is available to indicate the contrary. The gross amount of loans and advances by class to customers that were past due but performing was as follows:

At 31 December 2009	Retail ₦'million	Corporate ₦'million	SME ₦'million	Financial institutions ₦'million	Total ₦'million
Past due up to 30 days	25,516	26,284	7,819	5,533	65,152
Past due 30–60 days	8,921	9,423	2,792	1,976	23,112
Past due 60–90 days	35,110	38,218	11,035	-	84,363
	69,547	**73,925**	**21,646**	**7,509**	**172,627**
At 31 March 2009					
Past due up to 30 days	3,316	6,271	2,616	785	12,988
Past due 30–60 days	4,684	5,172	1,338	442	11,636
Past due 60–90 days	3,806	2,952	1,532	56	8,346
	11,806	**14,395**	**5,486**	**1,283**	**32,970**

NON-PERFORMING LOANS BY INDUSTRY

	The Group	
	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million
Asset management	**16,061**	16,186
Personal and professional	**13,701**	4,831
Commercial – non-residential	**17,993**	5,967
Retail – others	**9,604**	2,767
Distributive trade (general commerce)	**4,894**	1,212
Oil and gas services	**6,601**	607
Utility – private	**4,734**	542
Commercial – residential	**2,597**	310
Construction	**2,284**	242
Manufacturing – basic metal	**1,261**	228
Owner occupier	**1,072**	214
Manufacturing – paper and paper products	**918**	173
Education	**483**	142
Other financial institutions	**400**	111
Oil and gas – marketing	**5,538**	377
Others	**5,846**	2,578
	93,988	**36,487**

NON-PERFORMING LOANS BY DIRECTORATE

	The Bank	
	31 Dec 2009 ₦'million	31 Mar 2009 ₦'million
Lagos	**56,465**	23,130
South	**17,716**	4,235
West	**7,610**	3,763
North	**6,716**	647
	88,507	**31,775**

CONCENTRATION OF RISKS OF FINANCIAL ASSETS WITH CREDIT RISK EXPOSURE

(a) Geographical sectors

The following table breaks down the Group's main credit exposure at their carrying amounts, as categorised by geographical region as at 31 December 2009. For this table, the Group has allocated exposures to regions based on the region of domicile of our counterparties.

At 31 December 2009	Due from banks ₦'million	Loans ₦'million	Advances under finance lease ₦'million	Debt instruments ₦'million	Total ₦'million
Lagos	11,681	667,150	3,234	95,372	777,437
South	4,900	164,702	4,535	1,232	175,369
West	-	76,079	2,690	9,443	88,212
North	-	74,785	485	2,642	77,912
Europe	-	50,129	-	-	50,129
	16,581	**1,032,846**	**10,944**	**108,689**	**1,169,060**
At 31 March 2009					
Lagos	20	440,359	3,125	96,176	539,680
South	-	100,172	5,080	2,558	107,810
West	-	981	3,175	12,076	16,232
North	-	59,455	507	1,350	61,312
Europe	-	50,650	-	-	50,650
	20	**651,617**	**11,887**	**112,160**	**775,684**

(b) Industry sectors

At 31 December 2009	Due from banks ₦'million	Loans ₦'million	Advances under finance lease ₦'million	Debt instruments ₦'million	Total ₦'million
Agriculture	-	7,488	-	-	7,488
Oil and gas	7,781	150,791	3,594	7,275	169,441
Consumer credit	-	77,995	-	-	77,995
Manufacturing	-	47,788	686	43,337	91,811
Real estate	4,900	99,835	-	900	105,635
Construction	-	5,468	435	800	6,703
Finance and insurance	3,900	335,818	1,039	-	340,757
Transportation	-	7,488	737	70	8,295
Communication	-	27,405	1,366	27,411	56,182
General commerce	-	52,793	784	10,171	63,748
Utilities	-	5,483	-	-	5,483
Retail services	-	143,420	2,303	18,725	164,448
Public sector	-	71,074	-	-	71,074
	16,581	**1,032,846**	**10,944**	**108,689**	**1,169,060**
At 31 March 2009					
Agriculture	-	7,062	-	48	7,110
Oil and gas	-	132,551	4,720	9,473	146,744
Consumer credit	-	90,845	-	-	90,845
Manufacturing	20	71,745	1,172	50,430	123,367
Real estate	-	69,234	-	2,000	71,234
Construction	-	4,652	872	500	6,024
Finance and insurance	-	65,878	912	-	66,790
Transportation	-	7,909	342	24	8,275
Communication	-	23,987	628	28,740	53,355
General commerce	-	50,017	715	9,089	59,821
Utilities	-	5,081	-	-	5,081
Retail services	-	122,262	2,526	11,856	136,644
Public sector	-	394	-	-	394
	20	**651,617**	**11,887**	**112,160**	**775,684**

ANALYSIS BY PORTFOLIO DISTRIBUTION AND RISK RATING

	AAA to AA ₦'million	A+ to A- ₦'million	BBB+ to BB- ₦'million	Below BB- ₦'million	Unrated ₦'million	Total ₦'million
At 31 December 2009	**55,691**	**24,741**	**470,895**	**617,733**	**-**	**1,169,060**
At 31 March 2009	19,586	53,201	254,863	448,034	-	775,684

CONCENTRATIONS OF CURRENCY RISK: ON AND OFF BALANCE SHEET FINANCIAL INSTRUMENTS

At 31 December 2009	Naira million	Dollar million	GBP million	Euro million	Others million	Total million
Assets						
Cash and balances with the Central Bank	212,791	20,955	1,099	946	3	235,794
Treasury bills	14,219	-	-	-	-	14,219
Due from other banks	29,855	56,259	9,342	6,497	113	102,067
Loans and advances to customers	889,411	158,461	52	38	3	1,047,965
Advances under finance lease	10,944	-	-	-	-	10,944
Investment securities	288,487	-	-	-	-	288,487
Other assets	96,836	3,182	348	195	199	100,760
Total financial assets	**1,542,543**	**238,857**	**10,841**	**7,676**	**318**	**1,800,236**
Liabilities						
Customer deposits	1,117,771	112,096	2,912	3,146	1	1,235,926
Due to other banks	56,520	23,914	-	-	(2)	80,431
Claims payable	24,206	1,920	1	78	-	26,206
Other borrowings	-	27,898	-	7,575	-	35,473
Current income tax	-	-	-	-	-	-
Other liabilities	344,046	73,029	7,928	(3,123)	319	422,199
	1,542,543	**238,857**	**10,841**	**7,676**	**318**	**1,800,236**
Net on balance sheet financial position	**-**	**-**	**-**	**-**	**-**	**-**
Off balance sheet						
Total financial assets	158,849	250,468	940	13,430	7,629	431,316
Total financial liabilities	158,849	250,468	940	13,430	7,629	431,316
Net off balance sheet financial position	**-**	**-**	**-**	**-**	**-**	**-**

LIQUIDITY RISK

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

Liquidity risk management process

The Group's liquidity management process is primarily the responsibility of the Assets and Liabilities Committee (ALCO). Treasury is the executary arm of ALCO and its functions include:

(a) Day-to-day funding, managed by monitoring future cashflows to ensure that requirements can be met. This includes replenishment of funds as they mature or are borrowed by customers. The Group maintains an active presence in money markets to enable this to happen.

(b) Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow.

(c) Monitoring balance sheet liquidity ratios against internal and regulatory requirements (in conjunction with financial control unit).

(d) Managing the concentration and profile of debt maturities.

Funding approach

Sources of liquidity are regularly reviewed by Treasury to maintain a wide diversification by currency, geography, provider, product and term.

MATURITY PROFILE: ON BALANCE SHEET – BANK

At 31 December 2009	Up to 1 month ₦'million	1–3 months ₦'million	3–6 months ₦'million	6–12 months ₦'million	1–5 years ₦'million	Over 5 years ₦'million	Total ₦'million
Liabilities:							
Customer deposits	509,694	151,861	224,867	120,360	229,817	-	1,236,599
Due to other banks	40,912	12,878	11,297	-	-	-	65,087
Borrowings	-	-	-	-	28,656	6,817	35,473
Current income tax	14,948	-	-	-	-	-	14,948
Other liabilities	92,171	-	-	-	-	-	92,171
Deferred income tax liabilities	-	-	-	-	10,144	-	10,144
Retirement benefit obligations	544	-	-	-	-	-	544
Equity	-	-	-	-	-	317,487	317,487
Total liabilities	**658,269**	**164,739**	**236,164**	**120,360**	**268,617**	**324,304**	**1,772,454**
Assets:							
Cash and balances with the Central Bank	67,576	-	-	-	-	-	67,576
Treasury bills and other eligible bills	14,219	-	-	-	-	-	14,219
Due from other banks	255,902	-	-	-	-	-	255,902
Loans and advances to customers	679,696	139,210	92,430	87,730	14,920	8,500	1,022,486
Advances under finance lease	952	71	185	4,565	5,062	-	10,835
Trading securities	15,050	-	-	62,043	144,770	-	221,863
Investment securities	-	-	-	-	-	49,386	49,386
Investment in subsidiaries	-	-	-	-	-	30,416	30,416
Investment in associates	-	-	-	-	-	2,224	2,224
Other assets	51,245	-	-	-	-	-	51,245
Property and equipment	-	-	-	-	-	46,302	46,302
Total assets	**1,084,640**	**139,281**	**92,615**	**154,338**	**164,752**	**136,828**	**1,772,454**
Gap	**426,371**	**(25,458)**	**(143,549)**	**33,978**	**(103,865)**	**(187,476)**	**-**

MATURITY PROFILE: ON BALANCE SHEET – GROUP

At 31 December 2009	Up to 1 month ₦'million	1–3 months ₦'million	3–6 months ₦'million	6–12 months ₦'million	1–5 years ₦'million	Over 5 years ₦'million	Total ₦'million
Liabilities:							
Customer deposits	534,834	229,264	224,867	120,359	229,817	-	1,339,142
Due to other banks	160,402	12,878	-	-	-	-	173,280
Claims payable	-	-	-	-	-	-	-
Finance lease obligations	-	-	-	-	-	-	-
Liability on investment contract	44,041	65,072	-	39,111	-	-	148,224
Liability on insurance contract	-	-	-	-	-	-	-
Debt securities in issue	-	-	-	-	-	-	-
Borrowings	-	-	-	-	28,656	6,817	35,473
Current income tax	12,511	-	-	-	-	-	12,511
Dividend payable	-	-	-	-	-	-	-
Other liabilities	135,708	-	-	-	-	-	135,708
Provision on insurance fund	-	-	-	-	-	-	-
Deferred income tax liabilities	-	-	-	-	17,726	-	17,726
Retirement benefit obligations	725	-	-	-	-	-	725
Equity	-	-	-	-	-	309,557	309,557
Total liabilities	**888,221**	**307,214**	**224,867**	**159,470**	**276,199**	**316,374**	**2,172,347**
Assets:							
Cash and balances with the Central Bank	70,332	-	-	-	-	-	70,332
Treasury bills and other eligible bills	14,219	-	-	-	-	-	14,219
Due from other banks	514,193	-	-	-	-	-	514,193
Loans and advances to customers	679,696	139,210	92,430	87,730	70,886	8,500	1,078,452
Advances under finance lease	952	71	185	4,565	5,062	-	10,835
Assets on investment contract	46,820	-	-	-	37,810	-	84,630
Insurance receivables	-	-	-	-	-	-	-
Trading securities	15,050	-	-	62,043	144,770		221,863
Investment securities	-	-	-	-	-	64,737	64,737
Investment in subsidiaries	-	-	-	-	-	-	-
Investment in associates	-	-	-	-	-	3,248	3,248
Goodwill	-	-	-	-	-	-	-
Deferred tax assets	-	-	-	-	-	-	-
Other assets	55,226	-	-	-	-	-	55,226
Investment property	-	-	-	-	-	6,631	6,631
Property and equipment	-	-	-	-	-	47,981	47,981
Total assets	**1,396,488**	**139,281**	**92,615**	**154,338**	**258,528**	**131,097**	**2,172,347**
Gap	**508,267**	**(167,933)**	**(132,252)**	**(5,132)**	**(17,671)**	**(185,277)**	**-**

MATURITY PROFILE – OFF BALANCE SHEET

(a) Financial guarantees and other financial facilities

Performance bonds and financial guarantees (note 38) are also included below based on the earliest contractual maturity date.

(b) Contingent letters of credit

Unfunded letters of credit (note 38) are also included below based on the earliest contractual payment date.

(c) Operating lease commitments

Where a Group company is the lessee, the future minimum lease payments under non-cancellable operating leases, as disclosed in note 38, are summarised in the table below.

(d) Capital commitments

Capital commitments for the acquisition of buildings and equipment (note 38) are summarised in the table below.

At 31 December 2009	Up to 1 month ₦'million	1–3 months ₦'million	3–6 months ₦'million	6–12 months ₦'million	1–5 years ₦'million	Over 5 years ₦'million	Total ₦'million
Acceptances, guarantees and indemnities	18,474	88,162	136,201	-	-	-	242,837
Bonds and performance guarantees	2,084	10,109	19,142	58,880	46,461	18,386	155,062
Guaranteed commercial papers	20,496	201	-	-	-	-	20,697
Treasury bills intermediation	-	-	-	-	12,720	-	12,720
	41,054	**98,472**	**155,343**	**58,880**	**59,181**	**18,386**	**431,316**
At 31 March 2009							
Acceptances, guarantees and indemnities	16,805	73,179	73,526	-	-	-	163,510
Bonds and performance guarantees	914	13,573	10,549	33,421	48,921	15,610	122,988
Guaranteed commercial papers	15,725	30	-	-	-	-	15,755
Treasury bills intermediation	-	-	-	-	12,720	-	12,720
	33,444	**86,782**	**84,075**	**33,421**	**61,641**	**15,610**	**314,973**

CAPITAL MANAGEMENT

The Group's objectives when managing capital, which is a broader concept than the 'equity' on the face of balance sheets, are:

(a) to comply with the capital requirements set by the regulators of the banking markets where the entities within the Group operate;

(b) to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

(c) to maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management, employing techniques based on the guidelines developed by the Central Bank of Nigeria (CBN), for supervisory purposes. The required information is filed with the CBN on a monthly basis. Auditors to the Group are also required to render an annual certificate to the Nigerian Deposit Insurance Corporation (NDIC) that includes the computed capital adequacy ratio of the Group.

The CBN requires each bank to:

(a) hold the minimum level of the regulatory capital of ₦25 billion; and

(b) maintain a ratio of total regulatory capital to the risk-weighted asset at or above the minimum of 10%.

In addition, those individual banking subsidiaries or similar financial institutions not incorporated in Nigeria are directly regulated and supervised by their local banking supervisor, which may differ from country to country.

The Group's regulatory capital, as managed by its Financial Control and Treasury Units, is divided into two tiers:

i. tier 1 capital: share capital, retained earnings and reserves created by appropriations of retained earnings. The book value of goodwill is deducted in arriving at tier 1 capital; and

ii. tier 2 capital: preference shares, minority interests arising on consolidation, qualifying debt stock, fixed assets revaluation reserves, foreign currency revaluation reserves, general provisions subject to a maximum of 1.25% of risk assets and hybrid instruments – convertible bonds.

Investments in unconsolidated subsidiaries and associates are deducted from tier 1 and tier 2 capital to arrive at the regulatory capital.

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of – and reflecting an estimate of – credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off balance sheet exposure, with some adjustments to reflect the more contingent nature of the potential losses.

CAPITAL ADEQUACY

The table below summarises the composition of regulatory capital and the ratios of the Group for the year ended 31 December. During those two years, the individual entities within the Group and the Group complied with all of the externally imposed capital requirements to which they are subject.

	The Group	
	31 Dec 2009 ₦'million	**31 Mar 2009 ₦'million**
Tier 1 capital		
Share capital	**14,504**	12,432
Share premium	**254,524**	254,524
Statutory reserves	**23,660**	23,424
Contingency reserve	**-**	-
SMIEIS reserve	**9,980**	11,193
Bonus issue reserve	**-**	2,072
Retained earnings	**549**	30,648
Less: goodwill and intangible assets	**-**	-
Total qualifying tier 1 capital	**303,217**	**334,293**
Tier 2 capital		
Preference shares	**-**	-
Minority interest	**-**	-
Convertible bonds	**-**	-
Revaluation reserve – fixed assets	**2,379**	2,379
Revaluation reserve – investment securities	**-**	-
Translation reserve	**3,962**	733
Other borrowings	**35,473**	35,042
General provision	**59**	7,273
Total qualifying tier 2 capital	**41,873**	**45,427**
Total regulatory capital	**345,090**	**379,720**
Risk-weighted assets:		
On balance sheet	**1,790,146**	**1,328,595**
Off balance sheet	**394,260**	**306,566**
Total risk-weighted assets	**2,184,406**	**1,635,161**
Risk-weighted Capital Adequacy Ratio (CAR)	**15.8%**	**23.2%**

The decrease in the regulatory capital in 2009 is mainly due to the drop in the profit arising from significant loan loss provisions for loans to securities traders and oil marketers. The increase of the risk-weighted assets reflects the expansion of the business into retail outlets and consumer loans in 2009.

Group Statement of Value Added

for the period ended 31 December 2009

	31 Dec 2009 ₦'million	%	31 Mar 2009 ₦'million	%
Gross income	**196,408**		217,630	
Interest paid	**(64,339)**		(54,908)	
Interest on long-term borrowings	**(1,545)**		(1,744)	
	130,524		**160,978**	
Administrative overheads:				
– Local	**(31,216)**		(30,012)	
– Foreign	**(949)**		(1,322)	
Value added	**98,359**	**100**	**129,644**	**100**
Distribution				
Employees				
– Salaries and benefits	**40,604**	**41**	50,203	39
Government				
– Company income tax	**4,306**	**4**	8,216	6
The future				
– Asset replacement (depreciation)				
– Local	**5,467**	**6**	6,108	5
– Foreign	**79**	**-**	95	-
– Asset replacement (provision for losses)	**40,624**	**42**	45,552	35
– Asset replacement (deferred taxation)	**4,090**	**4**	6,901	5
– Expansion (transfers to reserves)	**3,189**	**3**	12,569	10
	98,359	**100**	**129,644**	**100**

Bank Statement of Value Added

for the period ended 31 December 2009

	31 Dec 2009 ₦'million	%	31 Mar 2009 ₦'million	%
Gross income	**175,355**		184,536	
Interest paid	**(54,553)**		(41,843)	
Interest on long-term borrowings	**(1,614)**		(1,744)	
	119,188		**140,949**	
Administrative overheads	**(25,580)**		**(26,289)**	
Value added	**93,608**	**100**	**114,660**	**100**
Distribution				
Employees				
– Salaries and benefits	**39,275**	**42**	48,830	43
Government				
– Taxation	**1,914**	**2**	4,990	4
The future				
– Asset replacement (depreciation)	**5,182**	**6**	5,761	5
– Asset replacement (deferred taxation)	**4,500**	**5**	6,046	5
– Asset replacement (provision for losses)	**41,462**	**44**	13,959	12
– Expansion (transfers to reserves and minority interest)	**1,275**	**1**	35,074	31
	93,608	**100**	**114,660**	**100**

Group Five-year Financial Summary

for the period ended 31 December 2009

BALANCE SHEET

	31 December 2009 ₦'million	31 March 2009 ₦'million	31 March 2008 ₦'million	31 March 2007 ₦'million	31 March 2006 ₦'million
Assets:					
Cash and balances with the Central Bank	70,332	140,403	88,351	61,844	50,992
Treasury bills	14,219	17,697	115,480	159,832	108,316
Due from other banks	514,193	764,048	560,879	264,405	169,580
Loans and advances to customers	1,078,452	740,397	466,096	217,995	177,303
Advances under finance lease	10,835	11,769	10,297	3,043	1,701
Investment securities	64,737	45,524	53,711	56,869	60,875
Investment in associates	3,248	2,884	371	74	-
Investment in subsidiaries	-	1,510	60	50	-
Trading securities	221,863	151,111	100,665	75,847	-
Managed funds	84,630	36,894	56,021	22,070	-
Other assets	55,226	51,884	44,275	31,664	31,851
Investment property	6,631	6,098	1,974	186	-
Property and equipment	47,980	39,695	30,054	17,548	14,222
Goodwill	-	-	-	-	1,984
	2,172,346	**2,009,914**	**1,528,234**	**911,427**	**616,824**
Financed by:					
Share capital	14,504	12,432	9,945	5,238	2,619
Reserves	295,054	324,973	341,909	78,389	61,658
Customer deposits	1,339,142	1,194,455	700,182	599,689	448,915
Due to other banks	173,280	170,410	155,109	85,664	323
Liability on investment contracts	148,224	93,296	62,514	22,070	-
Borrowings	35,473	35,042	29,414	22,101	-
Current income tax	19,625	11,283	8,986	7,470	5,142
Other liabilities	135,707	154,057	213,432	88,149	95,421
Deferred income tax liabilities	10,612	13,634	6,743	2,657	2,746
Retirement benefit obligations	725	332	-	-	-
	2,172,346	**2,009,914**	**1,528,234**	**911,427**	**616,824**
Acceptances and guarantees	**972,601**	**696,378**	**544,959**	**344,155**	**115,961**
Gross earnings	**196,408**	**218,287**	**155,725**	**91,163**	**67,440**
Net operating income	130,524	160,730	124,156	72,806	57,400
Operating expenses	(78,339)	(90,141)	(33,787)	(24,501)	(10,040)
Provision for losses	(40,600)	(16,790)	(6,028)	(2,021)	(3,985)
Profit before taxation	11,585	53,799	47,906	25,854	21,833
Exceptional items	-	(26,113)	-	-	-
Taxation	(8,396)	(15,117)	(11,227)	(5,218)	(4,450)
To shareholders	**3,189**	**12,569**	**36,679**	**20,636**	**17,383**
Earnings per share (basic)	**11k**	**51k**	**267k**	**178k**	**294k**

Bank Five-year Financial Summary

for the period ended 31 December 2009

BALANCE SHEET

	31 December 2009 ₦'million	31 March 2009 ₦'million	31 March 2008 ₦'million	31 March 2007 ₦'million	31 March 2006 ₦'million
Assets:					
Cash and balances with the Central Bank	67,576	140,353	89,076	60,881	49,444
Treasury bills	14,219	17,697	147,680	159,832	108,316
Due from other banks	255,902	510,722	247,059	137,864	94,029
Loans and advances to customers	1,022,486	684,107	437,768	219,185	175,657
Advances under finance lease	10,835	11,769	10,297	3,043	1,701
Investment securities	49,386	34,663	44,509	56,087	55,773
Investment in associates	2,224	2,224	74	74	74
Investment in subsidiaries	30,416	28,449	26,949	7,887	7,882
Trading securities	221,863	151,111	93,396	71,477	-
Other assets	51,245	48,007	39,498	29,701	31,317
Property and equipment	46,302	38,320	29,155	16,850	13,952
	1,772,454	**1,667,422**	**1,165,461**	**762,881**	**538,145**
Financed by:					
Share capital	14,504	12,432	9,945	5,238	2,619
Share premium	254,524	254,524	254,524	15,858	-
Reserves	48,459	84,098	75,378	56,255	56,377
Customer deposits	1,236,599	1,071,836	661,624	581,827	390,846
Due to other banks	65,087	78,980	44,281	14,448	323
Borrowings	35,473	35,042	29,414	22,101	-
Current income tax	14,948	7,238	5,091	5,710	4,148
Other liabilities	92,172	109,796	78,492	58,773	81,081
Deferred income tax liabilities	10,144	12,758	6,712	2,671	2,751
Retirement benefit obligations	544	718	-	-	-
	1,772,454	**1,667,422**	**1,165,461**	**762,881**	**538,145**
Acceptances and guarantees	**431,316**	**314,973**	**198,239**	**132,737**	**80,662**
Gross earnings	**175,355**	**185,189**	**130,600**	**79,299**	**61,243**
Net operating income	119,188	143,346	108,317	66,062	57,196
Operating expenses	(70,037)	(43,587)	(24,501)	(13,237)	(33,748)
Provision for losses	(41,462)	(13,959)	(5,819)	(2,519)	(3,617)
Profit before taxation	7,689	46,110	38,020	22,097	16,128
Taxation	(6,414)	(11,036)	(7,547)	(3,742)	(3,778)
Profit after taxation	**1,275**	**35,074**	**30,473**	**18,355**	**12,350**
Proposed dividend					
Earnings per share (basic)	**4k**	**141k**	**223k**	**156k**	**269k**

COMPANY INFORMATION

BEACON OF ETHICAL LEADERSHIP

COMPANY INFORMATION

Our well-known commitment to strong ethics has stood us in good stead throughout the years. We must not lose sight of this pedigree.

www.firstbanknigeria.com/annualreport/dec2009/

Departmental Heads

GROUP MANAGING DIRECTOR'S DIRECTORATE

Borodo, Tijjani Mohammed
Company Secretary

Esalomi, Naomi H.
Head, Cost Optimisation Project

Jaiyesimi, Ayodele O.
Head, Human Capital Management and Development

Loader, Celine Edi-Mesumbe
Head, Corporate Communications

Shobo, Francis Olugbenga
Head, Products & Channels

Soluade, Adebisi Oluyemi
Chief Internal Auditor

St. Matthew-Daniel, Eyitope Oyinkan
Head, Corporate Transformation

Ugbabe, Onche Rajesh
Chief Strategy Officer

CHIEF FINANCIAL OFFICER'S DIRECTORATE

Adelabu, Bayo
Head, Financial Control

Aderinto, Mojisola Titilayo
Chief Compliance Officer

Adewale, Ademola M.
Head, Internal Control & Reconciliation

Ogundipe, Taiwo
Head, Treasury

Lanre-Phillips, Oluyemisi
Head, Investor Relations

Ogunmodede, Richard T.
Head, Business & Performance Monitoring

BANKING OPERATIONS AND SERVICES DIRECTORATE

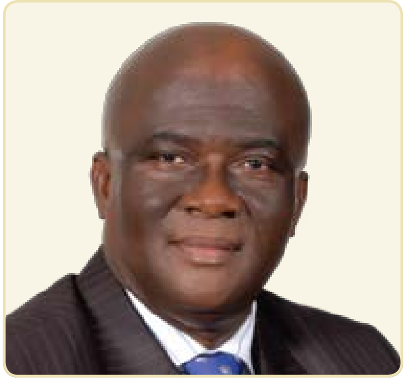
Adegoke, Rasheed Aderemi
Head, Information Technology

Bammeke, Adenike Morohunke
Head, Operations

Bolade, Timothy Olaosebikan
Head, General Services

RISK MANAGEMENT DIRECTORATE

Adejorin, Kunle
Head, Legal Services



Azubike, Afamefuna Chukwuemeka
Head, Classified Assets Management

Chadi, Dahiru
Head, Specialised Lending

Fajemirokun, Adenike
Head, Operational Risk

Miller-Lawson, Tekena
Head, Market & Liquidity Risk

Nwokedi, Lara
Head, Information Security

Odubola Abiodun
Head, Credit Analysis & Processing

Olawore, Omolade O.
Head, Credit Risk Management

Subsidiaries

The services provided by the Bank's subsidiaries span the full length of the financial services industry, and each subsidiary is positioned to be the leader in its respective market.

FIRSTBANK SUBSIDIARIES/MANAGING DIRECTORS

Hinson, Peter
MD, FBN Bank (UK) Limited

Adeleke, Bayo
MD, FBN Capital Limited

Oduntan, Olumide A.
Ag. MD, First Trustees Nigeria Limited

FBN BANK (UK) LIMITED

FBN Bank (UK) Limited ('FBN UK') is a UK registered bank authorised by the Financial Services Authority to accept deposits and undertake banking business. It was incorporated in November 2002 when it absorbed the business of the previous London Branch of First Bank of Nigeria Plc, which commenced business in the early eighties.

A wholly owned subsidiary of FirstBank, FBN UK was initially established to service the London banking requirements of Nigerian companies and its parent bank. However, since it commenced business it has developed into a much broader business positioned as the gateway to Europe and beyond for African banks, companies and high net worth individuals. It is unique among London banks, in that it has a branch in Paris which looks after business flows from francophone West Africa and a representative office in Lagos serving the international banking requirements of most West African businesses.

Services to corporate customers include the normal range of multi-currency bank accounts plus a full trade finance suite of products, including structured commodity trade finance.

FBN CAPITAL LIMITED

FBN Capital is our wholly owned investment-banking subsidiary. The company offers financial services to a broad range of clients, institutions and government across the entire spectrum of financing and investment transactions.

Established in 2006 following the banking industry consolidation, our investment-banking arm has accomplished a great deal in a very short time, emerging as a dominant player in deal origination, execution and distribution.

FBN Capital's financial services and offerings are organised along two business divisions; namely Investment Banking and Investment Management.

FIRST TRUSTEES NIGERIA LIMITED

With over 30 years' experience in the management of its clients' wealth and businesses, our trusteeship continues to stand out as the clear leader in trusteeship and asset management services in the country, offering innovative products and services tailored to meet our clients' diverse financial needs. Distinguished by its unique combination of brand strength, intellectual capacity and character, First Trustees' clients cut across government, corporate, wealthy individuals and institutional investors.

With branch presence in Lagos, Port-Harcourt and Abuja, this subsidiary provides information and full services for:

- investment advisory;
- family trust/property management trust;
- education trust;
- custodian trust;
- consortium lending;
- private trust;
- dependant care trust; and
- portfolio/fund management.

FIRSTBANK SUBSIDIARIES/MANAGING DIRECTORS (CONT'D)

Giwa-Amu, Subu
MD, FBN Mortgages Limited

Olugbemi, Bayo
MD, First Registrars Nigeria Limited

Fanimokun, Akinwunmi G.
MD, First Pension Custodian Nigeria Limited

FBN MORTGAGES LIMITED

Incorporated in March 2003, FBN Mortgages Limited commenced business in May 2004 as a wholly owned mortgage banking and property investment subsidiary of First Bank of Nigeria Plc. Licensed by the Central Bank of Nigeria as a primary mortgage institution, the company offers commercial and residential mortgages and other real estate finance solutions, in addition to its focus on real estate development and investment.

As an NDIC-insured deposit taker, the company also offers banking services, covering current, savings and deposit accounts, especially for individuals and small businesses. In this regard, the company introduced three savings products: Children Savings Account (CSA), FlexiSavings Accounts (FSA), and Mortgage Plan Account (MPA), during the financial year. The company currently operates from five branches located in Lagos, Ibadan, Abuja, Port Harcourt and Kano.

FIRST REGISTRARS NIGERIA LIMITED

Controlling over 70% of the mutual funds currently in the Nigerian capital market, First Registrars Nigeria Limited has over the decade since its incorporation, carved a niche for itself in the share administration industry in the country. Through innovation and measured investment in human capital, technology and service delivery platforms, this subsidiary has been able to corner about a third of the market share for registrarship services in the country.

FIRST PENSION CUSTODIAN NIGERIA LIMITED

First Pension Custodian Nigeria Limited was incorporated on 12 August 2005, to provide custodial services on retirement savings accounts (RSAs). The company has a robust relationship with virtually every licensed Pension Fund Administrator and Close Pension Fund Administrator.

A wholly owned subsidiary of First Bank of Nigeria Plc, First Pension Custodian Nigeria Limited generally offers a diverse portfolio of custodianship services, including pension contribution collection, pension payments nationwide, cash management; settlement, safe custody of pension assets, portfolio valuation, disbursement of benefits, corporate action, and compliance monitoring assistance.

FIRSTBANK SUBSIDIARIES/MANAGING DIRECTORS (CONT'D)

Tayo-Aboaba, Yemisi
MD, First Funds Limited

Ojumah, Valentine
MD, FBN Insurance Brokers Limited

Omosa, Folorunsho O.
MD, FBN Bureau de Change Limited

FIRST FUNDS LIMITED

First Funds Limited (FFL) is a captive private equity/venture capital subsidiary of FirstBank. Set up in 2003, FFL until recently was focused on providing risk capital to the smaller end of the small and medium enterprises (SMEs) sector. Between 2004 and 2008, First Funds managed approximately ₦6 billion of First Bank's reserve under the defunct Small and Medium Enterprises Equity Investment Scheme (SMEEIS) programme, an initiative of the CBN. Following the discontinuance of SMEEIS, FFL now concentrates on providing expansion capital to medium-sized companies.

FFL's focus sectors remain consumer durables and non-durables, food and beverages, restaurants, hotel, leisure, retail as well as information and communication technology. With investment sizes of between USD2 million and USD5 million for a significant minority stake, we target companies operating in large addressable markets backed by experienced management teams where FFL's investment and support can provide the needed impetus for the next stage of growth.

As at 31 December 2009, total committed capital was ₦9.5 billion, of which the company has drawn ₦2 billion. Approved/disbursed commitments for the year totalled ₦1.25 billion, in addition to over ₦2 billion of the legacy portfolio being managed by the company.

FBN INSURANCE BROKERS LIMITED

FirstBank's insurance broking arm is a fully integrated risk management, insurance and claims advisory company. One of the top three insurance brokers in the country, FBN Insurance Brokers has deployed its vast resources in support of individuals and companies across the country, and expanded its domestic sales network during the year to include four regional offices. Currently staffing its various business development offices across the country, this subsidiary is committed to newer and higher efficiency standards, to bring its services closer to its customers. Over the years, this focus has made FBN Insurance Brokers the largest retail broker and the most customer-focused insurance broker in Nigeria.

FBN BUREAU DE CHANGE LIMITED

FirstBank incorporated FBN Bureau de Change as a limited liability company to engage in the business of currency trading. It was granted a practising licence by the Central Bank of Nigeria on 15 January 2007.

Following the 2009 reforms to the operations of bureaux de change in the country, it upgraded its services, including payment of ₦500 million share capital to the Central Bank of Nigeria (CBN). On 1 June 2009, it thus became the first such institution in the country to acquire a Class A licence.

Since then, FBN Bureau de Change Limited has built a strong customer outreach capacity on the back of its parent bank's extensive domestic sale network. It currently offers an expansive range of products/services under the product brand name 'First exchange', including personal and business travel allowances, sale and purchase of foreign currencies, remittance of school fees abroad, payment of medical fees abroad, payment of life insurance premiums and utility bills abroad, as well as mortgage payments.

FIRSTBANK SUBSIDIARIES/MANAGING DIRECTORS (CONT'D)

Nsa, Pauline A.
MD, FBN Microfinance Bank Limited

FBN MICROFINANCE BANK LIMITED

We established our microfinance business in January 2009 to provide financial services to low income clients, particularly women, the self-employed and micro-entrepreneurs, with limited or no access to traditional banking services. As part of the national effort at mainstreaming the shadow economy, our microfinance outfit is partnering with clients to help them grow their businesses, producing considerable economic multipliers along the way.

Business Development Managers

LAGOS DIRECTORATE

Adebayo, Feyi
Business Development Manager, Lagos Island

Bakre, Femi
Business Development Manager, Lagos Central

David-Etim, Rosemary
Business Development Manager, Ikoyi

Ike, Jacinta
Business Development Manager, Festac

Majekodunmi, Cecilia
Business Development Manager, Victoria Island

Mba, Henrietta
Business Development Manager, Apapa II

Odunewu, Bashirat
Business Development Manager, Apapa I

Odunze, Eustace
Business Development Manager, Marina

Okeke, Bernie
Business Development Manager, Lekki

Omoniyi, Shade
Business Development Manager, Yaba

Owolabi, Tunde
Business Development Manager, Surulere

WEST DIRECTORATE

Abiru, Adetokunbo
Business Development Manager, Ikeja I

Abraham, Tayo
Business Development Manager, Kwara

Adeola, Jide A.
Business Development Manager, Ogun

Akinpelu, Sunday
Business Development Manager, Ibadan II

Alabi, Adewuyi M.
Business Development Manager, Ibadan I

Arowoogun, Timothy O.
Business Development Manager, Osun

Bakare, Oladele
Business Development Manager, Akure

Emedo, Emmanuel
Business Development Manager, Isolo II

Ibrahim, Abdulahi
Business Development Manager, Ikeja III

Inegbenose, Peter Osejonagan
Business Development Manager, Isolo I

Madojutimi, Philip
Business Development Manager, Mainland

Oni, Adenrele
Business Development Manager, Ikeja IV

Oshuntokun, Olakunle
Business Development Manager, Ekiti

Oyefeso, Seyi
Business Development Manager, Ikeja II

SOUTH DIRECTORATE

Adepegba, George
Business Development Manager, Benin

Asiegbu, Rosemary
Business Development Manager, Port Harcourt South

Takis Etim, Caiafas
Business Development Manager, Calabar

Dibiaezue, Obiora I.
Business Development Manager, Owerri

Egube, Sam
Business Development Manager, Port Harcourt North

Ezeokana, Leo
Business Development Manager, Onitsha

Harris-Eze, Nkiru
Business Development Manager, Aba

Igwenagu, Vincent
Business Development Manager, Warri

Ndifon, Columbus T.
Business Development Manager, Awka

Okolo, Nwanneka
Business Development Manager, Enugu

Udo, Iquo
Business Development Manager, Uyo

NORTH DIRECTORATE

Abdulkadir, Sulaiman G.
Business Development Manager, Bauchi

Abubakar, Suleiman
Business Development Manager, Minna

Darma, Aliyu S.
Business Development Manager, Maiduguri

Haruna, Bafalle Umar
Business Development Manager, Garki

Ibrahim, Gimba H.
Business Development Manager, Kaduna

Lawal, Dauda
Business Development Manager, Maitama

Mohammed, Abdullahi Sarki
Business Development Manager, Kano

Muazu, Barau
Business Development Manager, Sokoto

Odeyemi, Gbenga
Business Development Manager, Wuse

Olonishuwa, Richard
Business Development Manager, Lokoja

Rafindad, Lawal B.
Business Development Manager, Central Area, Abuja

Sada, Yusuf
Business Development Manager, Katsina

Tanko, Sani
Business Development Manager, Jos

Umar, Abdulhamid
Business Development Manager, Yola

Yaqeen, Habeeb
Business Development Manager, Makurdi

Audit Committee

The Audit Committee is made up of shareholder representatives and members of the Board. Biographies for shareholder representatives can be found below, while members of the Board's biographies can be found on pages 14 to 19.

Members of the Board

Lt Gen Garba Duba
Mr Oye Hassan-Odakale

Shareholder representatives

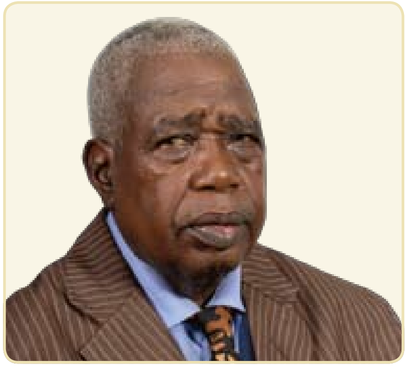
Alhaji Bashir A. Mohammed (Chairman)
Chief Timothy A. Adesiyan
Mr. Chinwendu N. Achara

Mohammed, Alhaji Bashir
Chairman

Mohammed Bashir, who hails from Gombe State, holds a BSc in Economics from the University of Sokoto and an MBA in Finance from Abubakar Tafawa Balewa University, Bauchi. He served as Planning Officer in the Ministry of Finance & Economic Planning (1988–1995); Principal Investment Executive/Senior Manager (Investment), Bauchi State Investment & Property Development Company Limited, Bauchi (1996–1998); and Acting Head of Investment Department, Gombe State Investment and Property Development Company Limited (1998–2003). He is married with children.

Achara, Chinwendu

Chinwendu Achara was educated at Rider University, Larenceville, New Jersey, USA and Laredo State University, Laredo, Texas, USA where he earned a BSc (Finance) and MBA (International Trade) respectively. He worked with the Nigerian Bank for Commerce and Industry (NBCI) from 1981 to 1991, following which he has been running Zondy Ventures Nigeria Ltd, a petroleum marketing and business consultancy firm. His favourite pastimes include photography, dancing, soccer, monopoly and ping pong.



Adesiyan, Timothy

Adesiyan Timothy Ayobami, who hails from Osun State, is a Member of the Association of Chartered Certified Accountants (ACCA) and Associate Member of the Institute of Accounting Staff London (MIAS). He served as Accounts Clerk in Palmine Agencies Limited (UAC) between 1964 and1965; Chartered Accountant in Peat Marwick Cassleton Elliot & Co (1966–1969); Accountant in West African Steel & Wire Limited (now NIWIL) (1970–1974); Accountant, College of Medicine, University of Lagos (1974–1976); Chief Accountant/Admin Manager in Western Steel Works Limited (1976–1979); and Director of Finance/Administration in Wire Works Nigeria Limited (1980 to date). He is the Chairman, Fine Loaf Bakeries and Confectioneries, Adesiyan Finance and Investment Consultancy, Evans Medical Plc (Audit Committee). He is married with children.

Contact Information

KEY LOCATIONS

SUBSIDIARY	BUSINESS ADDRESS	TELEPHONE/FAX
Subsidiaries		
FBN Bank (UK) Ltd	28 Finsbury Circus, London EC2M 7DT, UK	Tel: +44 (0) 207 920 4920 Fax: +44 (0) 207 920 4970
FBN Bureau de Change Ltd	Niger House Building, 1/5 Odulami Street, Lagos	01-2661041
FBN Capital Ltd	16 Keffi Street, Ikoyi, Lagos	01-2707180-9
FBN Insurance Brokers Ltd	9/11 Macarthy Street, Onikan, Lagos	Tel: 01-2660498, 01-4709090 01-2631165, 01-4622181-5 Fax: 01-2660140
FBN MicroFinance Bank Ltd	305 Herbert Macaulay Way, Yaba	01-8501505
FBN Mortgages Ltd	76 Awolowo Road, Ikoyi, Lagos	01-4615860-2, 01-2694583, 01-269339
First Funds Ltd	90 Awolowo Road, South-West, Ikoyi, Lagos	Tel: 01-2793910-3 Fax: 01-2793919
First Pension Custodian Ltd	124 Awolowo, Ikoyi, Lagos	01-2713220-1, 01-2694787, 01-2692839
First Registrars Nigeria Ltd	Plot 2 Abebe Village, Iganmu, Lagos	01-7743309, 01-2701078-9, 01-5465142
First Trustees Nigeria Ltd	A.G. Leventis Building, 2nd Floor, 42/43 Marina, Lagos	01-4622673, 01-4710322, 01-4749684 Fax: 01-4622672
Firstbank Representative Offices		
FirstBank South Africa Representative Office	10 th Floor, The Forum Sandton Square Building, 2, Maude Street, P.O. Box 784796, Sandton 2146, Johannesburg South Africa	Tel: +27 11 7849922, +27 11 7849925 Fax: +27 11 7849806
FirstBank Beijing Representaive Office	Unit 1431, Tower B, Beijing COFCO Plaza, No. 8 Jianguomennei Street, Dongcheng District, Beijing 100005, China	
Firstbank Affiliated Companies		
Africa Finance Corporation	3A Osborne Road, Ikoyi, Lagos	01-2799600
African Export-Import Bank	Abuja Office – Rivers State Office Complex, Plot 83 Ralph Shodeinde Street, Opposite Federal Ministry of Finance, Central Business District	09-2340712, 2343842
Banque Internationale du Bénin	Carrefour des Trois Banques 03 B.P. 2098, Cotonou, République du Bénin	Tel: 229-21315549 Fax: 2660140
Consolidated Discounts Ltd	Bull Plaza, 10th–12th Floor, 38/39 Marina, Lagos	01-2644271-9
Nigerian Interbank Settlement Scheme Plc	Plot 1230, Ahmadu Bello Way, Victoria Island, Lagos	01-2716071-4
Valucard Nigeria Ltd	3 Idowu Taylor Street, Victoria Island, Lagos	01-2703010, 01-2703013-4, 01-3200325
Firstbank Associate Company		
Kakawa Discount House Ltd	Sterling Towers, 20 Marina, 10th Floor, Lagos	01-2645480-5, 01-27022904

BUSINESS DEVELOPMENT OFFICES

BUSINESS DEVELOPMENT OFFICES	BUSINESS DEVELOPMENT MANAGERS	TELEPHONE/FAX/EMAIL	OFFICE ADDRESS
Aba	Nkiru Harris-Eze	082-227130/221178,220243, 082-220049, 224462, 08077191049,08022902159, nkiruka.harris-eze@firstbanknigeria.com	2 Factory Rd, Aba P.M.B. 7152, Aba
Akure	Oladele Bakare	034-213187, 08023055509, 08056306509, oladele.a.bakare@firstbanknigeria.com	Akure Main Branch, 1 Alagbaka Road, P.M.B. 707, Akure
Apapa 1	Bashirat Odunewu	08023120752, bashirat.o.odunewu@firstbanknigeria.com	Coker Branch, Plot 4 Block C, Amuwo Odofin Ind. Layout, Orile Iganmu
Apapa 2	Henrietta Mba	08024495126, 08077803643, 01-5851733, henrietta.n.mba@firstbanknigeria.com	Coker Branch, Plot 4 Block C, Amuwo Odofin Ind. Layout, Orile Iganmu
Awka	Columbus T. Ndifon	046-302041, 412325, 08033013372, 08077191029, columbus.t.ndifon@firstbanknigeria.com	c/o Nnamdi Azikwe University Branch, Awka
Bauchi	Sulaiman G. Abdulkadir	077-540085,361939,543680, 077-540168, 08055197612, 08045237199, 08033149001, suleiman.g.abdulkadir@firstbanknigeria.com	Bauchi Main Branch Nassarawa Road, GRA P.M.B. 53, Bauchi
Benin	George Adepegba	052-258085, 259546, 258085, 08028086262, 08075553422, george.a.adepegba@firstbanknigeria.com	67 Akpakpava Road, Benin-City
Calabar	Caiafas Takis Etim	087-239576-7, 07030004050, 08022903680, costakis.e.caiafas@firstbanknigeria.com	c/o Calabar Main Branch, Calabar Road, P.M.B. 1020, Calabar
Central Area	Lawal B. Rafindadi	08055197608, 08022907310, lawal.b.rafindadi@firstbanknigeria.com	Abuja Main Branch, Ahmadu Comassie House Plot 777, M. Buhari way, CBA, Abuja
Ekiti	Olakunle Oshuntokun	08023122192, 251428, olakunle.oshuntokun@firstbanknigeria.com	Ado Ekiti Branch Orereowu Street P.M.B. 5363, Ado Ekiti
Enugu	Nwanneka Okolo	042-255649, 257262, 042-256456, 08033096992, 08025366966, nwanneka.c.okolo@firstbanknigeria.com	21, Okpara Avenue, P.M.B. 1391, Enugu
Festac	Jacinta N. Ike	01-7731455, 08023134560, jacinta.ike@firstbanknigeria.com	Coker Branch, Plot 4 Block C, Amuwo Odofin Ind. Layout, Orile Iganmu
Garki	Bafalle Umar Haruna	08035892806, 09-7805597, 2346820, 09-2346823, umar.h.baffale@firstbanknigeria.com	Abuja Jos Street Branch, Plot 451, Jos Street, Area 3, Garki
Ibadan I	Adewuyi M. Alabi	02-2319184, 2319186, 08034274896, adewuyi.m.alabi@firstbanknigeria.com	Ibadan Bank Road Branch, P.M.B. 5111, Ibadan
Ibadan II	Sunday Akinpelu	02-2412995, 7514229, 08033043230, 08023201212, sunday.a.akinpelu@firstbanknigeria.com	Molete Branch, 48 Molete/Challenge Road, Challenge Round About, Opp. Texaco Station
Ikeja I	Adetokunbo Abiru	01-2800909, 08033047870, 08077191042, adetokunbo.m.abiru@firstbanknigeria.com	Opebi Branch, Adebola House, 40 Opebi Road, Off Allen Avenue
Ikeja II	Seyi Oyefeso	08087182391, 08034008900, popoola.oyefeso@firstbanknigeria.com	Ilupeju Branch, Ilupeju Bye-Pass Lagos/Abeokuta Exp. Way, P.M.B. 1173, Ikeja
Ikeja III	Abdullahi M. Ibrahim	01-271661, 08023154258, 08077890215, abdullahi.m.ibrahim@firstbanknigeria.com	Ikeja Ind. Estate Branch, 21 Oba Akran Avenue, P.O. Box 105, Ikeja
Ikeja IV	Adenrele Oni	08037982332, 08058001820, 01-901740-4, 4977862-3, 01-901744, adenrele.oni@firstbanknigeria.com	Ikeja Branch, P.O. Box, 69, Ikeja
Ikoyi	Rosemary David-Etim	01-2793893,8912632, 08034020005, 08025270130, 01-2793894, rosemary.i.david-etim@firstbanknigeria.com	Keffi Branch, 4 Keffi Road, Off Awolowo Road, Ikoyi
Isolo I	Peter Oseyonagon Inegbenose	08023283740, oseyonagon.inegbenose@firstbanknigeria.com	Ajao Estate Branch, 25 Murtala Mohammed International Airport Road, Ajao Estate
Isolo II	Emmanuel Emedo	01-2790403, 08023163970, 07029081950, emmanuel.o.emedo@firstbanknigeria.com	Isolo Main Branch, Apapa/Oshodi Exp. Way, Iyana Isolo, P.M.B. 1034, Mushin
Jos	Sani Tanko	073-452843, 459651, 073-459235, 459651,08037865645, bala.s.tanko@firstbanknigeria.com	Jos Main Branch, Bank Road, P.M.B. 2027, Jos
Kaduna	Gimba H. Ibrahim	062-242409-14, 243588, 245593, 07028355788, gimba.h.ibrahim@firstbanknigeria.com	Kaduna Bank Road Branch, 14 Bank Road, P.M.B. 2065, Kaduna
Kano	Abdullahi Sarki Mohammed	064-895454, 08055197611, 08022237009, abdullahi.s.mohammed@firstbanknigeria.com	Kano Main Branch 10 Lagos Street Branch, P.M.B. 3005, Kano
Katsina	Yusuf Sada	065-433189,431588, 08023107958, 08039536734, yusuf.m.sada@firstbanknigeria.com	Katsina Main Branch, 3 Ibrahim Babaginda Way, P.M.B. 2032, Katsina

BUSINESS DEVELOPMENT OFFICES (CONT'D)

BUSINESS DEVELOPMENT OFFICES	BUSINESS DEVELOPMENT MANAGERS	TELEPHONE/FAX/EMAIL	OFFICE ADDRESS
Kwara	Tayo Abraham	08028469680, 031-221500, 220128, omotayo.abraham@firstbanknigeria.com	Ilorin Branch, Obbo Road, Off Wahab Folawiyo Road, P.M.B. 1354, Ilorin
Lagos Central	Femi Bakre	08025249900, 01-2643566, 2660620, 2643734, 2643735, 01-2664145, femi.bakre@firstbanknigeria.com	Broad Street Branch, 214 Broad Street, P.O. Box 2334, Lagos
Lagos Island	Feyi Adebayo	08022914151, 01-8923239, 8923269, feyi.adebayo@firstbanknigeria.com	Lapal House Branch, 235, Igbosere Road, Obalende, Lagos
Lekki	Bernie Okeke	08022907335, 01-7746337-8, 46124002, 01-4619230, bernadine.a.okeke@firstbanknigeria.com	Abibu Adetoro Branch, 51 Abibu Adetoro Street, Off Ajose Adeogun Street, P.M.B. 80137, VI, Lagos
Lokoja	Richard Olonishuwa	058-223005, 223004, Fax: 058-223005, 08034023287, 08085865880, richard.o.olonishuwa@firstbanknigeria.com	Lokoja Main Branch, 411 Muritala Moh'd Road, P.M.B. 1100, Lokoja
Maiduguri	Aliyu S. Darma	076-230818,230843, 236455, 342396, 076- 230845, 08055197607. 08024139717, 08065704624, 08045026226, aliyu.s.darma@firstbanknigeria.com	Maiduguri Main Branch Sir K. Ibrahim Road, P.O.Box 1005, Maiduguri
Mainland	Philip Madojutimi	01-8044139, 08022242195, phillip.madojutimi@firstbanknigeria.com	Shomolu Branch, 188, Ikorodu Road, Onipanu, P.O. Box 4, Shomolu
Maitama	Dauda Lawal	08033176790, 08055179792, dauda.lawal@firstbanknigeria.com	Abuja Main Branch, Ahmadu Comassie House Plot 777, Muhammed Buhari Way, Abuja
Makurdi	Habeeb Yaqeen	044-532296, 044/532296, 08057437080 08023283704, 08054405440, yaqeen.habeeb@firstbanknigeria.com	Makurdi Main Branch New Bridge Road, P.M.B. 2076, Makurdi
Marina	Eustace Odunze	01-7918079, 01-5851416, 01-2660395, 08023121365, eustace.o.odunze@firstbanknigeria.com	35 Marina, Head Office (9th Floor)
Minna	Suleiman Abubakar	066-223281/2, 066-223286, 221652, 08033355156, suleiman.m.abubakar@firstbanknigeria.com	C/O Minna Branch, 3 Bank Road, P.M.B. 62, Minna
Ogun	Jide A. Adeola	08023020903, 039771743, 037-640331, olajide.a.adeola@firstbanknigeria.com	Shagamu Branch, Akarigbo Street, P.M.B. 2008, Sagamu
Onitsha	Leo Ezeokana	046-212958, 046-300133, 08023122936, 08035742851, ikechukwu.ezeokana@firstbanknigeria.com	c/o Onitsha Bridge Head Branch, No. 1 Port Harcourt Road, PMB 1603, Onitsha
Osun	Timothy O. Arowoogun	08033009080, 08020975107, 036-202281, timothy.o.arowoogun@firstbanknigeria.com	Osogbo Gbogan Road Branch, Gbodofon Osogbo
Owerri	Obiora I. Dibiaezue	083-2344862, 083-231089, 08023283704, obiora.i.dibiaezue@firstbanknigeria.com	11/12 Assumpta Avenue, P.M.B. 1060, Owerri
Port Harcourt-North	Sam Egube	084-463881, 465315 08029990194, samuel.a.egube@firstbanknigeria.com	Port Harcourt Main Branch, 22/24 Aba Road, P/H by Leventis B/Stop P/H
Port Harcourt-South	Rosemary Asiegbu	084-463718, 084-230232, 08033039279, rosemary.c.asiegbu@firstbanknigeria.com	Port Harcourt Main Branch, 22/24 Aba Road, P/H by Leventis B/Stop P/H
Sokoto	Barau Muazu	09-7805597, 08051000106, 08055355775, muazu.barau@firstbanknigeria.com	Sokoto Fodio Branch Abdullahi Fodio Road, P.M.B. 2116, Sokoto
Surulere	Tunde Owolabi	08034033900,08022901917, 01-7745557, 2830410, 01- 2830410, tunde.owolabi@firstbanknigeria.com	Iganmu Branch, Plot 2 Abebe Village Road, Iganmu P.M.B 12778, Lagos
Uyo	Iquo Udo	085-200082, 085-201036, 08023125472, 08055197600, iquo.o.udo@firstbanknigeria.com	1 Oron Road, P.M.B. 1001, Uyo
Victoria Island	Cecilia Majekodunmi	08084923637, cecilia.o.majekodunmi@firstbanknigeria.com	Adetokunbo Ademola Branch, 8 Adetokunbo Ademola Street, VI Lagos
Warri	Vincent Igwenagu	053-258354, 258357, 254063, 08033327712, 08027665161, vincent.igwenagu@firstbanknigeria.com	124 Sapele/Effurun Road, Warri
Wuse	Gbenga Odeyemi	08022242198, 08077200234, oluwagbenga.odeyemi@firstbanknigeria.com	First Bank Monbolo Crescent (Abuja) Abuja E, Wuse Zone 2, Market
Yaba	Shade Omoniyi	08023126400,08077191040, shade.omoniyi@firstbanknigeria.com	Yaba Branch, 322 Herbert Macaulay Street P.M.B. 1040, Yaba
Yola	Abdulhamid Umar	075-625198, 627603, 075-627602, 08033432943, 08055197610, 08043138606, 08023234717, umar.abdulhamid@firstbanknigeria.com	9 Bank Road, Yola

Branch Network

ABIA STATE

1. Aba Abayi Branch.
206 Aba Owerri Road, Abayi
P.M.B. 7580, Aba, Abia State
Tel: 082290141, 290142

2. Aba Alaoji Layout Branch.
544 P/Harcourt Rd, Alaoji Layout
Tel: 082-308865
GSM: 08059108890, 08033479293

3. Aba Ariara Branch.
117 Faulks Road, P.M.B. 7315, Aba
Tel: 082-224692
Fax: 082- 225508
GSM: 08056007670, 08038011395, 08088456082

4. Aba Ariara Cash Centre.
A-Line 235/236 Ariara Market, Aba
GSM: 08059108900

5. Aba Asa Road Market Branch.
94 Asa Road, Aba, Abia State
Tel: 082-232799, 232794, 232792
232802, 232808
Fax: 082-232799
GSM: 08055259662

6. Aba Factory Road Branch.
Factory Road, P.M.B. 7521, Aba
Tel: 082-220327, 227590,221857
220243
GSM: 08033276536

7. Aba Main Branch.
2 Asa Road, P.M.B. 7103, Aba
Tel: 082-227120, 220866
223870, 227130, 220755, 228862
Fax: 082-227210, 228370
GSM: 08057109600, 08037576904

8. Aba Ngwa Branch.
51 Ngwa Road, Aba
Tel: 082-233149, 233212, 233079

9. Aba Ogbor Hill Branch.
161, Ikot Ekpene Rd, Ogbor Hill, Aba
Tel: 082-226127, 227810
Fax: 082-226127
GSM: 08051767505, 08066178115

10. Aba Okigwe Road Branch.
28 Okigwe Road, Aba
Tel: 082-234374, 082-872245
Fax: 082-234319

11. Aba Osisioma Branch.
302 Old Aba Owerri Road,
Osisioma Industrial Layout,
P.M.B. 7209, Aba
Tel: 082-351399, 350470-1
GSM: 08037143328, 08037110227

12. Aba Town Branch.
122 Ehi Road, P.M.B. 7128, Aba
Tel: 082-220325, 220285, 230285
GSM: 08039626833, 08046110544

13. Abia State Teaching Hospital
Cash Centre.
1 Hospital Road, Aba
GSM: 08056325696

14. Abiriba Branch.
24 Court Road, Abiriba
GSM: 08022141714

15. Amaokwe Item Branch.
c/o Bende L.G.A., P.M.B. 1 Item
Tel: 082-440966
GSM: 08037465156

16. Arochukwu Branch.
Opposite Eze Aro's Palace, Oror
Arochukwu, P.M.B. 1002,
Arochukwu
GSM: 08033470688

17. Nkwoagu Isouchi Branch.
P.M.B 1020, Ngodo, Isouchi, Okigwe
L.G.A.
Tel: 082-447837
GSM: 08025567747, 08030983463

18. Umuahia Branch.
1 Mayne Road, P.M.B. 7017, Umuahia
Tel: 088-222986, 220465, 220319
GSM: 08033100242, 07023077604

19. Umuahia Market Branch.
No. 1 Okwulehie Avenue,
P.M.B 7301, Umuahia
Tel: 088-224000, 223332, 223335
GSM: 08037262639

20. Umuahia Uzuokoli Branch.
41 Uyo Street/30 Palm Lane by
Uzuakoli Road, Umuahia
Tel: 088-290153, 290154
GSM: 08038979995

ADAMAWA STATE

21. Dumne Agency.
c/o Yola Main Branch

22. Fufore Branch.
C/O P.M.B. 2050, Yola
GSM: 08036400621

23. Ganye Branch.
P.O. Box 55, Ganye
Tel: 075-900187
GSM: 08082569584

24. Garkida Branch.
Near Police Station, P.O. Box 100,
Garkida
GSM: 08026975437

25. Gulak Branch.
c/o Michika Branch, P.M.B. 1001,
Michika
GSM: 08051113090

26. Hong Branch.
P.M.B. 1002, Hong
GSM: 08026976336

27. Mayo Belwa Branch.
P.O. Box 06, Mayo-Belwa
Tel: 075-626552
GSM: 08023077013

28. Mayoine Agency.
c/o Mayo Belwa Branch
P.O. Box 06, Mayo Belwa

29. Michika Branch.
P.M.B. 1001, Michika
GSM: 08054883793

30. Mubi Branch.
18, Ahmadu Bello Way, Mubi
GSM: 08034908127

31. Numan Branch.
47, Gombe Road, Numan
GSM: 08034503162

32. Yola Main Branch.
42, Galadima Aminu Way, Jimeta,
Yola
Tel: 075-627603, 626582, 626073
GSM: 08036798767
Fax: 075-625198

33. Yola Market Branch.
109, Mubi Road, P.M.B. 2282, Jimeta
Tel: 075-624370
GSM: 08053471876, 08054000000

AKWA IBOM STATE

34. Abak Branch.
6A Market Road, P.M.B. 1150, Abak
GSM: 08021060725, 08023117356

35. Akwa Ibom State Polytechnic
Cash Centre.
Akwa Ibom State Polytechnic

36. Efa Branch.
Near Efa Junction, P.M.B. 1053,
Etinan
Tel: 085-556554
GSM: 08034273337, 08027591186

37. Eket Branch.
No. 1 Ekpene Ukpa Road Eket, Akwa Ibom State
Tel: 085-701273, 701124

38. Essene Branch.
Ikot Abasi L.G.A, P.M.B.1012, Ikot Abasi
Tel: 087-771560

39. Etinan Branch.
83 Uyo Road, P.M.B.1042, Etinan
Tel: 085-341123, 341052
084-552207

40. Ikot Abasi Branch.
1 Ikot Obong Road, P.M.B. 1021, Ikot Abasi
Tel: 085-801124, 087-771561

41. Ikot Ekpene Branch.
2 Old Stadium Road, P.M.B.34, Ikot Ekpene
Tel: 085-400202, 400723, 200088

42. Ikot Ekpene Market Branch.
P.M.B. 1074, Ikot Ekpene, Awka Ibom
Tel: D/L: 087-480211, 08088323704

43. Maritime Academy Cash Centre, Oron
c/o Maritime Academy of Nigeria
Oron, Akwa Ibom State

44. Oron Branch.
105 Oron Road, P.M.B. 1040, Oron
Tel: 087-776938, 776028, 3053752
GSM: 08035292340, 08028285345

45. Ukam Branch.
Mkpat Enie L.G.A. P.M.B. 5001, Ukam
Tel: 087-771400

46. Utu Etim Ekpo Branch.
P.M.B. 1029, Utu Etim Ekpo L.G.A.
Tel: 084-552404
GSM 08029724036

47. Uyo Abak Road Branch.
Plot 4, Federal Housing Estate, Olusegun Obasanjo Way, Uyo
Tel: 085-201561, 201552, 201527

48. Uyo Branch.
1 Oron Road, P.M.B. 1001 Uyo
Tel: 085-200531, 200082
Fax: 085-200594

49. Uyo CBD Branch.
Plot 2, Block A, Banking & Other Offices Layout, Udo Udoma Avenue, Uyo, P.M.B. 1230
GSM: 08023076663, 08035734956, 08055660007, 08023327991, 08035882366, 08023653094, 08023574405, 07031177721

ANAMBRA STATE

50. Abba Branch.
c/o Iruokplala Village Hall, Abba, P.M.B.2008, Abagana, Njikoka L.G.A.
Tel: 048-571106, 571147
Fax: 048-571037
GSM: 08066757216, 08063270137

51. Awka Branch.
6, Nnamdi Azikiwe Avenue, P.M.B. 5034, Awka
Tel: 046-320726; 048-550015, 554327, 554342, 310265
Fax: 048-552247
GSM: 08033516430

52. Awka Aroma Branch.
KM 43 Enugu Onitsha Expressway, Awka, Anambra, P.M.B. 6037 Awka, Anambra
GSM: 08033516430

53. Ekwulobia Branch.
2 Catholic Mission Road, Ekwulobia-Aguata L.G.A.
Tel: 046-911449, 463410, 082-307213
GSM: 08023328475

54. Ihiala Branch.
Onitsha Owerri Road, Ihiala
GSM: 08023015989, 07083059236, 08034282592

55. Nimo Branch.
Njikoka L.G.A. P.M.B.1002, Nimo
Tel: 046-581185, 048-880307
Fax: 048-460934
GSM: 08023287610

56. Nkpor Branch.
40, New Market Road, P.M.B. 1626, Nkpor
Tel: 046-250690, 250506
GSM: 08023287644, 08033667143

57. Nkwele Ezunaka Branch.
3-3 Junction Opp. Federal Government Girls College, Onitsha Otuocha Highway, Nkwerre Ezunaka, Anambra State, P.O. Box 85, Oyi L.G.A.
Tel: 048-880311, 3038772
GSM: 08023283722

58. Nnewi Bank Road Branch.
9/11 Edo Ezemewi Road
GSM: 08033236553

59. Nnewi Branch.
13A Onitsha Road, P.M.B. 5015, Nnewi
Tel: 046-460086, 462005, 462007, 461125, 461877, 463237
Fax: 046-461004
GSM: 08033216737

60. Nnewi Cash Centre.
Nkwo Market,
c/o Nnewi Branch

61. Ogbunike Branch.
P.M.B. 7, Ogbunike
Tel: 046-6115599, 307030, 550259, 550246, 550204
Fax: 046-311704
GSM: 08039442936

62. Ogidi Building Material Market Branch.
Ogidi Building Material Market, Ogidi
Tel: 046/872020, 870218, 497870
GSM: 08033169198

63. Onitsha Bridge Head Branch.
1 Nkrumah/P.H. Road, P.M.B. 1603, Onitsha
Tel: 046-410731, 413285, 309401
Fax 046-410212
GSM: 08023602353

64. Onitsha Electronic Market Branch.
Electronic Market, Along Onitsha Express, Onitsha
Tel: 046-871157, 306174

65. Onitsha Iweka Branch.
40 Iweka Road, P.M.B. 1750, Onitsha
Tel: 046-210113, 211534
Fax: 046-218053
GSM: 08035523712

66. Onitsha Main Branch.
19 New Market Road, P.M.B. 1519, Onitsha
Tel: 046-210244, 211062, 210245-8, 215081, 411062, 410243, 216058, 414327
Fax: 046-215088, 211176, 411717, 411062, 718062, 412957, 218062
GSM: 08055382006

67. Onitsha Nwobodo Avenue Branch.
1 Nwobodo Avenue, P.M.B.1524, Onitsha
Tel: 046-217420, 210212, 411420, 481451, 410865
Fax: 046-410865, 411420, 300278
GSM: 08063731373

68. Onitsha Ogbaru Mkt Branch.
233B Obodo-Ukwu Rd, Ogbaru Main Mkt, (Near Bournvita House) Okpoko, Ogbaru, P.M.B. 1834, Onitsha.
Tel: 046-300775
Fax: 046-215334
GSM: 08035428256

69. Onitsha Owerri Rd. Branch.
68, Onitsha Owerri Road, P.M.B. 1832 Onitsha
Tel: 046-270786-7, 271307
Fax: 046-271307
GSM: 08023331218

70. Onitsha Upper New Mkt Rd Branch.
88A, Upper New Market, P.M.B 1569, Onitsha
Tel: 046-412325, 413981, 413271
Fax: 046-410415, 416271
GSM: 08033153086

71. Onitsha, Uga Street Cash Centre.
59 Uga Street, c/o Bridge Head Branch Onitsha

72. Otuocha Branch.
Otuocha L.G.A, P.O. Box 82, Otuocha
Tel: 046-460804, 324616
GSM: 07035112272

73. Ugwuagba-Obosi Mkt Branch.
15, Pope John Paul Avenue, Ugwuagba-Obosi, Onitsha
Tel: 046-270795, 2707874
Fax: 046-270795
GSM: 08023317983

74. UNIZIK Branch.
Nnamdi Azikiwe University, Banking Plaza, Awka
GSM: 08088950075, 08036726096

BAUCHI STATE

75. Azare Branch.
Plot 25/27 Jama'Are Road, Azare
GSM: 08034929635

76. Bauchi Branch.
Nassarawa Road G.R.A., P.M.B. 53, Bauchi
Tel: 077-542024, 543680, 540618, 540085, 543979, 546390
GSM: 08023235013, 08058040993
Fax: 077-543680

77. Bauchi Central Market Branch.
Bauchi Central Mkt, 1 Illelah Street, Bauchi
Tel: 077-542024
GSM: 07032307662, 08060259594

78. Burra Branch.
Ningi L.G.A., P.M.B. 53, Bauchi
GSM: 08036921822

79. Darazo Branch.
Maiduguri Road, P.O. Box 2, Darazo L.G.A.
GSM: 08036191591

80. Gamawa Branch.
Barkin Kasuwa, P.O. Box 4, Gamawa
GSM: 08025123093

81. Itas Agency.
c/o Yana Branch, P.M.B. 6, Yana

82. Katagum Agency.
c/o Gamawa Branch, P.O. Box 4, Gamawa

83. Tafawa Balewa Branch.
Bununu Road, P.M.B. 1, Tafawa Balewa
GSM: 08050200513

84. Toro Branch.
Near L.G. Secretariat, P.M.B. 3, Toro
GSM: 08036277419

85. Yana Branch.
Kano Road, P.M.B. 6, Yana
GSM: 08034929635

BAYELSA STATE

86. Mbiama Yenagoa Branch.
KM 8, Mbiama Yenagoa Road, Yenezue-gene, Yenagoa
GSM: 08050957024, 08033093199

87. Odi Branch.
Yenegoa L.G.A. c/o P.M.B. 5007, P/H (Main)
GSM: 08032551276

88. Yenegoa Branch.
Amarata Road
Tel/Fax: 084-490391, 490392,
GSM: 08029990471, 08058826412

BENUE STATE

89. Gboko Branch.
1, Captain Downes Road, Gboko
GSM: 08050475116, 07035610739 08026690961

90. Katsina-Ala Branch.
Market Road, c/o Postal Agency, Katsina-Ala
Tel: 044-90299, 90080, 90269, 90296
GSM: 07036792835, 0808659632, 08036225193

91. Makurdi Branch.
New Bridge Road, P.M.B. 2076, Makurdi
Tel: 044-532156, 533542 532296, 543131, 532041
Fax. 044-532798
GSM: 07036022127, 08035806478

92. Makurdi Modern Market Branch.
Main Admin Building, Makurdi Modern Market, P.M.B. 102176, Makurdi
Tel: 044-534567, 534679, 534678
GSM: 08024235836

93. Makurdi North Bank. Road
Plot No BNA 7852 Lafia Road, P.M.B. 102076,
Makurdi, Benue State
GSM: 07038159388, 08036123214

94. Naka Branch.
c/o Makurdi Branch, P.M.B. 2076, Makurdi

95. Otukpo Branch.
No. 9 Federal Road, Opposite Police Station, P.M.B. 2210, Otukpo
Tel: 044-661265, 660165, 661165, 661638
GSM: 08062525604
Fax: 044-661229

96. Oturkpo Modern Market Branch.
Jerico Road, Hamdala, Oturkpo
Tel: 044-662953, 662954, 662952, 662991
GSM: 07039248900, 08057155485, 08036925903, 08052723020, 08054091758 08062525604, 08037020413, 08057055485

97. Vandeikya Branch.
Joe Akaham Way, P.M.B. 5, Vandeikya, Gboko
GSM: 08054528854, 08087336587, 08038637955, 08059026920

BORNO STATE

98. Bolori Store Cash Agency.
Bolori Store, West End, Maiduguri
Tel: 08137641718
GSM: 08036528460

99. Damboa Branch.
Maiduguri/Biu Road, P.O. Box 1005, Maiduguri
GSM: 08065777585

100. Konduga Agency.
c/o Maiduguri (Main) Branch, P.M.B. 1005, Maiduguri
Tel: 076-232417, 231055
Fax: 076-342396

101. Kwajafa Cash Centre.
Main Street, P.O. Box 1005, Maiduguri

102. Maiduguri Branch.
Sir K. Ibrahim Road, P. O. Box 1005, Maiduguri
Tel: 076-232417, 231055, 235322, 235319, 342017
GSM: 0802325035
Fax: 076-342396

103. Maiduguri Kano Road Branch.
c/o Maiduguri Main Branch, P.O. Box 1005, Maiduguri
Tel: 076-371371, 372372
GSM: 08054303409, 08061552769

104. Maiduguri Monday Market Branch.
c/o Maiduguri Main Branch, P.O. Box 1005, Maiduguri
Tel: 076-232382
GSM: 08029168575, 08052614452

105. Ngandu Agency.
c/o Damaturu Branch, P. O. Box 1009, Damaturu
Tel: 076-522980
Fax: 076-522545

106. Uba-Kumagum Branch.
Mubi-Yola Road P.O. Box 1005
GSM: 08051350998, 08026911128

CROSS RIVER STATE

107. Akamkpa Branch.
Ikom-Calabar Highway, Akamkpa Town
GSM: 08061241321

108. Calabar Bacocco Cash Centre.
Within Etudom Nya's Estate (adjacent to Aka Residential Estate Calabar)
GSM: 08037502298

109. Calabar Crutech Cash Centre.
Cross River State University of Technology, Calabar
GSM: 08056154831

110. Calabar Free Trade Zone Branch.
FTZ Calabar, P.M.B. 3001, Calabar
Tel: 087-210045-6, 210667
Fax: 087-210046
GSM: 08037502298

111. Calabar II Branch.
126, Ndidem Usang Iso Road, Calabar
Tel: 087-239660-2, 239661
GSM: 08023157551

112. Calabar IMAN Junction Branch.
67 Mbukpa Road, Calabar
Tel: 087821208
GSM: 08035516094

113. Calabar Main Branch.
17 Calabar Road, P.M.B. 1020, Calabar
Tel: 087-232049, 233300, 557093, 230276, 232622, 233562, 233864, 230403, 234400, 082-557093
Fax: 087-230403
GSM: 08037079517

114. Calabar Marina Resort Cash Centre.
Marina Resort, Calabar
GSM: 08059717116, 08033217499

115. Calabar Mayne Avenue Branch.
104 Mayne Avenue Road
Tel: 087845082
GSM: 08036154831, 08054486280, 08053241110

116. Ekori Branch.
Ekori, Yakurr L.G.A., P. O. Box 90, Ekori
GSM: 08067263529, 08028963597, 08062638818

117. Ikom Branch.
19 Okim Osabor Street, P.M.B. 1030, Ikom
Tel: 045-670577
GSM: 08023287357

118. Ikom Calabar Road Branch.
P.M.B. 1030, Ikom
GSM: 08023287357, 08035433856, 08023461669

119. Netim Akankpa Cash Centre.
Along Calabar Ikom Highway
GSM: 08037502298

120. NNPC Calabar Cash Centre.
NNPC Depot, Along Esuk-Utan Road, Calabar
GSM: 08030893637, 08088865381

121. Obubra Branch.
c/o Calabar Branch, P.M.B. 1025, Obubra
Tel: 087-560035
GSM: 0805400405-6, 08077636445

122. Obudu Branch.
22 Calabar Road, Obudu
GSM: 08020931016

123. Ogoja Branch.
General Hospital Road, Igoli, Ogoja, Cross River
Tel. 08023287357, 08023572988

124. Tinapa Branch.
Tinapa Bus Resort, Line Shop 11b, Calabar
Tel: 048-880091, 082-557097
GSM: 08037137058, 08051123437

125. Ugep Branch.
6 Ikom-Calabar Highway, Ugep
GSM: 08066922265

DELTA STATE

126. Agbarho Branch.
142 Old Ughelli Road, P.M.B. 50, Agbarho
GSM: 08023283662

127. Agbor Branch.
Old Lagos/Asaba Road
Tel: 056-25440, 25323, 052-255703, 053-256836, 053-340362
GSM: 08023009797

128. Asaba Branch.
Nnebisi Road, P.M.B.1004, Asaba
Tel: 056-280210, 282092, 281196
GSM: 08023065184
Fax: 056-281195, 282043

129. Asaba II Branch.
52, Illah Road, Asaba
Tel: 046-666616, 056-282736, 282739, 282962
GSM: 08058473522

130. Effurun Branch.
4 Warri/Sapele Road, P.M.B. 8, Effurun
Tel: 053-252801, 250676
GSM: 08057166205

131. Effurun PTI Branch.
122, PTI Road, Effurun
GSM: 08028718312

132. Ekpan Branch.
60, NNPC Housing Estate Rd., Ekpan
Tel: 053-253011, 320435, 320484
GSM: 08077612624

133. Evwreni Branch.
Uvwreni Quarters, Evwreni c/o P.M.B.30, Ughelli

134. Igbudu Market Branch.
222 Warri/Sapele Road, Warri
GSM: 08023564598

135. Ogwashi-Uku Branch.
2 Old Mission Road, P.M.B.1055, Ogwashi-Uku
GSM: 08059143149, 08023159043

136. Ozoro Branch.
Along Ozoro Kwale Express Road
GSM: 08023065184, 08037115909

137. Patani Branch.
1 Local Government Council Road, Ekise Quarters, Patani, Delta State
GSM: 08028718312, 08056812682

138. Sapele Boyo Road Branch.
2A Boyo Road, P.M.B. 4062, Sapele
Tel: 054-341681, 341541
GSM: 08056165773

139. Sapele Main Branch.
Chichester Road, P.M.B. 4004, Sapele
Tel: 054-322094, 342111
Fax: 054-341534
GSM: 08051599324

140. Ughelli Branch.
40 Market Road, P.M.B. 30, Ughelli
Tel: 054-600008, 600328
GSM: 08052359526

141. Ughelli Patani Road Branch.
240 Ughelli Patani Road, Ughelli
GSM: 08035725772

142. Warri Airport Road Branch.
115 Airport Road, Warri
Tel: 053-252029, 252030
GSM: 08036683358 08033749003, 08033331951

143. Warri Airport Road Junction Branch.
124, Sapele/Effurun Road, Warri
Tel: 053-254063, 250063

144. Warri Branch.
41 Warri/Sapele Road, P.M.B.1020, Warri
Tel: 053-253011, 252905
Fax: 053-253042

145. Warri Shell-Ogunnu Branch.
Shell Complex, Warri
Tel: 053-256333, 256416
Fax: 053-256415

146. WRPC Agency.
NNPC Warri Refinery & Petrochemical, Warri

EBONYI STATE

147. Abakaliki Branch.
4 Sudan United Close, Off Ogoja Road, P.M.B. 105, Abakaliki
Tel: 043-211573, 220760
Fax: 043-211573
GSM: 08035909664, 08059795989

148. Abakaliki II Branch.
36 Afikpo Road, Abakaliki
GSM: 08035969893, 08037029375, 07065856436

149. Afikpo Branch.
18 Eke Market, P.M.B. 1005, Afikpo
Tel: 088-521636
GSM: 08054989003

150. Akanu Ibiam Federal Poly Cash Centre.
Akanu Ibiam Federal Poly, Abakaliki

151. Ezzamgbo Branch.
Ohaukwu L.G.A., P.M.B. 219, Abakaliki
Tel: 043-300560
GSM: 08034304452

EDO STATE

152. Agbede Branch.
60 Unity Road, c/o Agbede Post Office
GSM: 08058549299, 08037756813

153. Ambrose Alli University Cash Centre.
Ekpoma, c/o Ekpoma Branch
GSM: 08034315892, 08056735231

154. Auchi Branch.
40 B Auchi Road
GSM: 08074882133

155. Benin Aduwawa Branch.
Beside Big Joe Motors Ltd Benin/ Auchi Road, Aduwawa, Benin City
GSM: 08038996600

156. Benin, Akpakpava Road Branch.
67 Akpakpava Road, Benin City
Tel: 052-256397
GSM: 08033862255

157. Benin Ekehuan Branch.
76, Ekehuan Road, Benin City
Tel: 052-885712, 885713
GSM: 08025239921, 052-885713, 07029548102

158. Benin King's Square Branch.
P.M.B. 1026, Benin City
Tel: 052-251080, 256184, 25865
Fax: 052-259741
GSM: 08033042111, 08022920267

159. Benin M.M.Way Branch.
169 M.M.Way, Benin City
Tel: 052-259739, 250298
GSM: 08023158802

160. Benin Mission Road Branch.
59 Mission Road, P.M.B. 1138, Benin City
Tel: 052-258065, 253752, 253916,
Fax: 052-258067, 256472
GSM: 08023158917

161. Benin NNPC Agency.
c/o Benin King's Square Branch.
P.M.B 1026, Benin City

162. Benin Oregbeni Branch.
10 Benin/Agbor Road, P.M.B. 1002, Benin City
Tel: 052-254708
Fax: 052-253975
GSM: 08023158322

163. Benin Oregbeni 11 Branch.
Benin Agbor Road, Beside Doris Dey Hotel
Tel: 052-258593

164. Benin Sakponba Branch.
43, Sakponba Rd, Benin City, P.M.B. 1133, Benin City
Tel/Fax: 052-450777, 259527
GSM: 08055650464

165. Benin Sapele Rd Branch.
155 Sapele Rd, Benin City
Tel: 052-258356
GSM: 08035501110, 08023159046

166. Benin, Siluko Branch.
128, Siluko Road, P.M.B. 1053, Benin City
Tel: 052-256965, 600899-900, 258923
Fax: 254416
GSM: 08037148809

167. Benin, Ugbowo Branch.
189, Ugbowo Road, Benin City
Tel: 052-600301, 600305
Fax: 052-600301
GSM: 08023158825, 0803744647

168. Benin Upper Sakponba Branch.
43 Upper Sakponba Rd, P.M.B. 1106, Benin City
Tel: 052-256987, 251661
GSM: 08023322182

169. Benin Uselu Branch.
24, Uselu Lagos Road. P.M.B. 1027, Benin City
Tel: 052-250794
GSM: 08023294715

170. Ekpoma Branch.
Market Road, Eguare, P.O. Box 7, Ekpoma
Tel: 053-256812, 98394, 98439
GSM: 08052570237, 08034315892

171. IPMAN Cash Centre, Benin.
c/o Benin Oregbeni Branch
GSM: 08023158202

172. New Benin Market Branch.
No. 30 New Lagos Rd, Benin City
Tel: 052-259150
GSM: 08033987085, 08023157464

173. Sabongida-Ora Branch.
64, Obe Street, P.M.B. 102, Sabongida-Ora
Tel: 057-54093
GSM: 08023158785

174. Uniben Branch.
Benin Lagos Road, Ugbowo Campus, University of Benin
GSM: 08034073592, 052-885851, 052-885852.

175. Uromi Branch.
No. 9 Ubiaja Road, Uromi
GSM: 08053145438

EKITI STATE

176. Ado Ekiti Branch.
Orereowu Street, P.M.B. 5363, Ado Ekiti
Tel: 030-256561, 240725, 240561 33523089, 250561, 251836, 251526, 250725
GSM: 08034224731, 08033523089
Fax: 030-251725

177. Ado Ekiti Opopogboro Branch.
91, Opopogboro Road, Off Federal Housing Road, Ado Ekiti
GSM: 08036972260

178. Efon-Alaye Branch.
Erekesan Market, P.M.B. 37 Efon-Alaye
GSM: 08077231345, 08038106816

179. Emure-Ekiti Branch.
2 Oke Emure Street, P O Box 613 Emure-Ekiti
GSM: 08035705531, 08026354438

180. Erinjiyan Ekiti Branch.
Iwaro Street, P. M. B. 5006, Aramoko-Ekiti
GSM: 08022512667, 08022678365, 08034225250

181. Ifaki-Ekiti Branch.
25 Temidire Street, Ikole Road, P.M.B. 21, Ifaki-Ekiti
GSM: 08064407978, 08035705176

182. Ikere-Ekiti Branch.
113 Ado Road, Idemo, P.M.B. 7275, Ikere-Ekiti
Tel: 030-610545, 251794
GSM: 08028790454, 08035640061

183. Ikole-Ekiti Branch.
Oba Adeleye Road, P.M.B. 5009, Ikole-Ekiti
Tel: 030-440611
GSM: 08033852632, 08035399251

184. Ilasa-Ekiti Branch.
White House, Oke-Odo Street, P.M.B. 5020, Ilasa-Ekiti
GSM: 0808444877, 08030785686 08027810058

185. Okemesi-Ekiti Branch.
Odo-Ese Street, P. M. B. 01, Okemesi-Ekiti
GSM: 08038448424

ENUGU STATE

186. 2nd Enugu Okpara Avenue Branch.
11 Okpara Avenue, Beside Enugu North LGA Office, Enugu
GSM: 07087998809, 08037135009, 08033044469

187. 9th Mile Corner Branch.
47A Old Onitsha Road, 9th Mile Corner, Ngwo
Tel: 042-300466-7
GSM: 08033761921

188. Eha Amufu Cash Centre
Along Eha-Amufu Ikom/Obollo-Afor Road

189. Emene Ind. Estate Branch.
1 Bank Road, P.O. Box 8, Enugu
Tel: 042-559275, 554757
GSM: 07036002359

190. Enugu Abakpa Nike Branch.
77 Nike Road, Abakpa Nike, Enugu
GSM: 08037251006

191. Enugu Agbani Branch.
127, Agbani Road, Enugu
GSM: 08033772260, 08039305400, 08037415658

192. Enugu Main Branch.
21 Okpara Avenue, P.M.B. 1008, Enugu
Tel: 042-253583, 258784, 254386, 258736
Fax: 042-254755
GSM: 08033105282

193. Enugu New Haven Branch.
22 Chime Avenue, Enugu
Tel: 042-253663, 252980, 250626
GSM: 08033795314

194. Enugu Ogbete Market Cash Centre.
Akwatta Area, Ogbete Mkt, Enugu
Tel: 042-307579
GSM: 08023158697

195. Enugu Ogui Road Branch.
95, Ogui Road, Enugu
Tel: 042-252464, 254071, 255058, 308851
GSM: 08033170350, 08052309048

196. Enugu Presidential Road Branch
79 Presidential Road, Enugu
GSM: 08061542690

197. Enugu UNTH Branch.
UNTH, Enugu

198. Enugu Uwani Branch.
26 Zik Avenue, P.M.B. 1237, Enugu
Tel: 042-257382, 251620
GSM: 08033475622

199. Ikem Branch.
c/o Postal Agency, Via Nsukka, P.M.B. 1008, Enugu
GSM: 08036732740

200. Inyi Branch.
P.O. Box 183, Inyi
Tel: 046-460177

201. Nsukka Branch.
116 Enugu Road, Nsukka
Tel: 042-771743, 311982
GSM: 08033539622

202. Obollo Afor Cash Centre.
1 Orba Road, Obollo Afor, Udenu LGA, Enugu

203. Orba Branch.
Orba Udenu L.G.A., P.M B 2079 Nsukka
Tel: 042-770488
GSM: 08026247880

204. Ovoko Branch.
Ovoko Via Nsukka, P.M.B. 2083, Igbo-Eze
Tel: 042-771738, 308007
GSM: 08055986828

FEDERAL CAPITAL TERRITORY (ABUJA)

205. Abaji Branch.
Toto Road, Abaji, c/o P.O. Box 45, Abuja
GSM: 08076068445

206. Abuja Asokoro Branch.
85, Yakubu Gowon Crescent, Asokoro, Abuja
Tel: 09-8723270-1, 8723274
GSM: 08033326299, 08033208254

207. Abuja Banex Plaza Branch.
Banex Plaza, Plot 750 Aminu Kano Crescent, Wuse II Abuja
Tel: 09-4619600, 4619608, 4619603-4
GSM: 08033355156, 08053284582

208. Abuja Bolingo Hotels Branch.
Independence Avenue, Area 10, Garki, Abuja
Tel: 09-7803566, 6270845, 2344571, 6710795, 2340845
GSM: 08023236151

209. Abuja Bwari Branch.
Suleja Road, Bwari
Tel: 09-87238991, 09-8703803

210. Abuja Dei Dei Market Branch.
Abuja Regional Market
Tel: 09-7819704-6
GSM: 08060553885, 08025522975

211. Abuja Garki Branch.
Abuja Festival Road, Area 3, Garki, P.O. Box 45, Abuja
Tel: 09-2341070-3, 2344634, 2344420, 785597
GSM: 08034023287
Fax: 09-2341071

212. Abuja Garki Modern Mkt Branch.
Abuja Garki Modern Market, Garki, Abuja
Tel: 09-7805724, 2340137, 2340152, 2342729, 2340161
GSM: 08052733252, 08023107960, 08054527212, 08023108019

213. Abuja Gwagwalada Branch.
5 Park Road, Off Abuja/Abaji Road, Gwagwalada, FCT, Abuja
Tel: 09-8820015, 8820033
GSM: 08027613509, 08055361889

214. Abuja Jos Street Branch.
Plot 451, Jos Street, Area 3, Garki
Tel: 09-2344724, 2343889, 2343878, 2342729, 4816192
GSM: 08051000106, 08028818789, 08055355775

215. Abuja Karu Branch.
Abuja-Keffi Road, Mararaba, Karu LGA, FCT, Abuja
Tel: 09-6703827, 6703689
GSM: 08065303571, 08074985848, 08060263756, 08023420023

216. Abuja Kubwa Branch.
Plot B3, Gada Nasko Road, Opp. Total Fuel Station, Phase 2, Site 2 Kubwa, Abuja
Tel: 09-8723272-3, 8723269
GSM: 08023025971

217. Abuja Main Branch.
Plot 777, M. Buhari Way, Central Business Area, Abuja
Tel: 09-4619191, 2346819, 2346820
GSM: 08027782266

218. Abuja Maitama Branch.
13 Mediterranean Str. Imani Estate, Near British Council, Maitama Abuja
Tel: 09-7819669, 7819704
GSM: 08023107954

219. Abuja National Assembly Complex Branch.
White House (Basement Room HB26), 3 Arms Zone
Tel: 09-8734197, 6277848, 2347881, 2347848
GSM: 08033472618, 07027861626, 08082558820, 08052733250

220. Abuja New Wuse Mkt Branch.
Plot 40 Mambolo Street, Wuse Zone 2, Abuja
Tel: 09-8723275-6, 8723278, 09-8723275
GSM: 08051789709

221. Abuja Nnamdi Azikiwe Int. Airport Branch.
Local Wing, Abuja Airport, Abuja
Tel: 09-8100121, 8100120, 09-8725358
GSM: 08033520200

222. Abuja Nyanya Branch
Plot C6, Zone E08, Along Abuja-Jikwoyi Road, Nyanya, Abuja
GSM: 08076295920, 08023144942

223. Abuja Shipper's Plaza Branch.
Plot 438 Michael Okpara Way, Opp. Ibro Hotel, Wuse, Zone 5, Abuja
Tel: 09-5241440-2, 6710750, 09-7819120
GSM: 08026158891
Fax: 09-5241441

224. Abuja Wuse Branch.
Russel Centre, Block 2097, Herbert Marcaulay Way, Zone 5, FCT, Abuja
Tel: 09-5240144-8
GSM: 08036550071
Fax: 5240147

225. Abuja Zuba Branch.
Motor Spare Parts Market, Zuba, FCT, Abuja
Tel: 09-5242318, 6720028
GSM: 08035292471, 08058597378

226. Abuja Zuba II Branch.
Area 1 Plot 3, Along Kaduna Express Road, Opp Total Filling Station, Zuba, Abuja
Tel: 09-7818906, 7818911, 7818926
GSM: 08035879553

227. Mararaba Branch
Plot 5766 Along Abuja Keffi Road, Mararaba
GSM: 08033142368

GOMBE STATE

228. Ashaka Cement Branch.
Ashaka Cement Factory, Ashaka Village, Near Gombe Town
GSM: 08023342308, 07039130766

229. Gombe Branch.
Biu Road, P.M.B. 1, Gombe
Tel: 072-222133, 222134, 222135, 223214, 223318, 223120
GSM: 08023349650, 08062295118

230. Gombe Market Branch.
Plot 15 Biu Link Road, Gombe, Gombe State
GSM: 08023627548

231. Kaltungo Branch.
Gombe-Yola Road, P.O. Box 40, Kaltungo
GSM: 08036921822

IMO STATE

232. Akatta Branch.
Orlu L.G.A., P.M.B. 6, Akatta
Tel: 083-305431, 046-664353
GSM: 08033358847

233. Akokwa Branch.
No 24 Old Onitsha Road, P.M.B. 10, Akokwa
Tel: 083-302570, 300441
GSM: 08058533697

234. Amaraku Branch.
P.M.B. 1, Amaraku
Tel: 046-666025
GSM: 08037909046

235. Mbaise Branch
Ahiara Junction, Mbaise
Tel: 07041230136, 08037241603, 083-430188, 07026306023.

236. Nkwerre Branch.
Anara/Orlu Road, Opp Anglican Diocesan Cathedral, Nkwerre
GSM: 08037758962

237. Okigwe Branch.
184 Owerri Road, Okigwe
Tel: 082-550028, 447209
GSM: 08030931642

238. Okigwe Lokpanta Cash Centre.
Lokpanta Village
GSM: 08051023757, 08023745282

239. Okwelle Branch.
P.M.B. 57, Okwelle, Okigwe
Tel: 046-666523
GSM: 08036673066

240. Orlu Town Branch
24 Amaigbo Road, Orlu, Imo State

241. Owerri Douglas Road Branch.
79 Douglas Rd., Owerri
Tel: 083-230900, 233288
Fax: 083-233288
GSM: 08056738600

242. Owerri Main Branch.
11/12 Assumpta Avenue, P.M.B. 1060, Owerri
Tel: 083-230900, 232772, 234445
Fax: 083-231586
GSM: 08023117223, 08050408144

243. Owerri Orlu Road Branch
14 Orlu Road, Owerri, Imo State
Tel: 083-801264

244. Owerri Port Harcourt Road Branch
Plot C/14 Housing, Area A New Owerri, Imo State
Tel: 083801400, 082863466
GSM:08030946522, 08068270422

245. Owerri Wetheral Branch.
No. 137 Wetheral Road, Owerri
GSM: 08068185030

246. Umuowa Branch.
c/o Owerri Branch, P.M.B. 175, Orlu
Tel: 083-520665, 046-664363, 660794, 083-302570
GSM: 08053267396, 08038979995

247. Urualla Branch.
c/o Ideato North L.G.A., P.M.B. 2, Urualla, Owerri
Tel: 083-302570, 046-660794

JIGAWA STATE

248. Dutse Branch.
Damaturu Road, c/o P.M.B. 3005, Kano
Tel: 064-721512-3
GSM: 08023235036, 08037981331
Fax: 069-721380, 064-721513

249. Hadejia Branch.
14 Kano Road, P.O. Box 83, Hadejia
Tel: 078-20614, 20856, 20255
Fax: 078-20449
GSM: 08027991022

KADUNA STATE

250. Birnin Gwari Branch.
1 Kaduna-Lagos Expressway, Birnin Gwari
GSM: 08028842107, 08036604895

251. Kaduna Bank Road Branch.
14 Bank Road, P.M.B. 2065, Kaduna
Tel: 062-245454, 243332
GSM: 08023233022

252. Kaduna Central Market Branch.
Broadcasting Road, Abubakar Gumi Market, Kaduna
GSM: 08033117654, 08082115660

253. Kaduna Kawo Branch.
Tel: 062-317594, 237594
GSM: 08023076871
Fax: 062-318354

254. Kaduna Main Branch.
Yakubu Gowon Way, P.M.B. 2065, Kaduna
Tel: 062-246155, 243858
GSM: 08033147129
Fax: 062-243955, 246854, 249464

255. Kaduna PPMC Branch.
KRPC Refinery Complex, KM 12 Kachia Road, Kaduna
Tel: 08023077007, 08060769800, 08058010800

256. Kaduna South Branch.
Kachia Road, P.M.B. 2084, Kaduna
Tel: 062-231021, 232880
GSM: 08035892806

257. Kaduna, Tudun Wada Branch.
DB 39, Nnamdi Azikiwe Way, Kaduna
Tel: 062-415849, 415851-3
GSM: 08057384972
Fax: 062-415853

258. Kafanchan Branch.
No. 7 Kagoro Road, P.M.B. 1019, Kafanchan
Tel: 061-20141, 20145
GSM: 08028411401, 08035878189
Fax: 061-20145

259. Katchia Branch.
Kafanchan Road, Opposite Katchia Motel, Kaduna
GSM: 08028190417, 08051006776

260. Samaru Branch.
Sokoto Road, P.M.B. 02, Samaru, Zaria
Tel: 069-550983, 551612, 554884, 550692
GSM: 08060771161
Fax: 069-550092, 551160

261. Saminaka Branch.
Ahmadu Bello Way, Near Lere LGA Secretariat, Kaduna
GSM: 08035914231, 08054484642

262. Zaria Branch.
1 Crescent Road, P. M. B. 1006, Zaria
Tel: 069-330660, 332425, 333458
GSM: 08035990699
Fax: 069-330660

KANO STATE

263. Bichi Branch.
Along Kano Road, Bichi, Bichi LG
Tel: 064895459, 064895460

264. Kano Bagauda Lake Agency.
Bagauda Lake Hotel, c/o Kano (Main) Branch, P.M.B. 3005, Kano
Tel: 064-633280, 630573
Fax: 064-644565

265. Kano Bello Road Branch.
16/17, Bello Road, Kano
Tel: 064-648959, 649626
GSM: 08034535265
Fax: 064-648959

266. Kano Bompai Branch.
Dantata Road, P.M.B. 3284, Kano
Tel: 064-633480, 646743
GSM: 08023158331
Fax: 064-646743

267. Kano Club Road Branch.
595 Club Road, P.M.B. 3005, Kano
Tel: 064-635027, 630709, 630648
Fax: 064-649266, 635027
GSM: 08033304445

268. Kano Dawanau Branch.
Dawanau Grains Market, Kano
Tel: 064-316708-9
GSM: 08023927897

269. Kano Fagge Ta Kudu Branch.
15 Fagge Road, P.M.B. 3077, Kano
Tel: 064-631545, 645961, 645871
GSM: 08023157524, 08034458088
Fax: 064-640738

270. Kano Hotoro Branch
Maiduguri Road, Hotoro, Opposite NNPC Depot, P.M.B. 3005, Kano
Tel: 064-895455, 8955454, 977920
GSM: 08023341429, 08028447584

271. Kano Kofar Ruwa Branch.
Kano Kofa Ruwar
Tel: 064-638202, 638201, 638203

272. Kano Main Branch.
10 Lagos Street, P.M.B. 3005, Kano
Tel: 064-633280, 632706, 630573, 637839, 630574, 636573, 630070
GSM: 08023157449
Fax: 064-644565

273. Kano Zaria Road Branch
C6-7 Zaria Road by U-Turn, Naibawa, Kano
GSM: 08033760020, 08082675666, 08033762259

274. Kano Zoo Road Branch.
ABI House, c/o P.M.B. 3166, Kano
Tel: 064-661905, 668766
GSM: 08023585535, 08037030518
Fax: 064-668766

275. Mallam Aminu Kano Int'l Airport Branch.
c/o P.M.B. 3005, Kano
Tel: 064-318332
Fax: 633255
GSM: 08053359840

276. Muhammadu Abubakar Rimi Market Branch.
c/o Kano (Main) Branch, P.M.B. 3005, Kano
Tel: 064-644507
Fax: 064-644507
GSM: 08023288203

KATSINA STATE

277. Dandume Branch.
Funtua Birnin Gwari Road, Dandume, Katsina.
P.M.B 6055, Funtua
GSM: 08023235040, 07034496891

278. Daura Branch.
Kano-Kongolam Road, P.M.B. 1046, Daura
Tel: 065-557187, 557095
GSM: 08029152572

279. Funtua Branch.
Sokoto/Gusau Road, P.M.B. 6013, Funtua
Tel: 069-770348, 333830
GSM: 08025267761
Fax: 069-770019

280. Kankia Branch
2 Dutsima Road, P.M.B. 2235, Kankia, Katsina State
GSM: 08088705174

281. Katsina Branch.
3 Ibrahim Babangida Way, P.M.B. 2032, Katsina
Tel: 065-430863, 431588
Fax: 065-431588
GSM: 08034537318

282. Malumfashi Branch.
Funtua Road, P.M.B. 1011, Malumfashi
Tel: 069-80058
GSM: 08024971854, 08025242481
Fax: 069- 80169

KEBBI STATE

283. Birnin Kebbi Branch.
Sultan Abubakar Road, c/o P.M.B. 3005, Kano
Tel: 068-321911, 320662, 321664
GSM: 08065829297
Fax: 068-321664

284. Kamba Branch.
Secretariat Road, c/o P.M.B. 2116, Sokoto
GSM: 08034043982

285. Maiyama Branch.
Maiyama Town, c/o P.M.B. 2116, Sokoto
GSM: 08065480437, 08065871212

286. Yauri Branch.
New Kontagora Road, Yauri Town, Kebbi State
GSM: 08036384110, 08024151761

287. Zuru Branch.
Kontagora Town Road, P.M.B. 1003, Zuru
Tel: 067-650205, 650109
Fax: 067-670709
GSM: 08026582682, 07031345976

KOGI STATE

288. Abejukolo Branch.
Ankpa Road, P.M.B. 1000, Abejukolo
GSM: 08053567818

289. Ajaokuta Branch.
P.M.B. 1007, Okene
Tel: 058-400581, 400481
GSM: 08036355946

290. Ajaokuta Steel Mill Complex Cash Centre.
Ajaokuta Steel Complex, Ground Floor, P.M.B 1007, Ajaokuta
Tel: 058-400540 ext 3429, 400481
Fax: 058-400581

291. Akpanya Branch.
Agbedo Akpanya, P.M.B. 1011, Idah
GSM: 08032619011

292. Ankpa Branch.
16, Tafawa Balewa Road,
P.M.B. 1011, Ankpa
GSM: 08036173559

293. Ayangba Branch.
Idah Road, P.M.B. 1002, Dekina-Ayangba
GSM: 08069600939

294. Egbe Branch.
Federal Road, P.M.B. 205, Egbe
GSM: 08075010102

295. Isanlu Branch.
P.M.B. 1005, Isanlu
GSM: 08057819129

296. Itobe Branch.
Bank Road, P.M.B. I001, Idah

297. Iyamoye Branch.
Aro Quarters, Along Iyamoye Omuo,
P.M.B. 1002, Iyamoye
GSM: 08036158475

298. Kabba Branch.
Along Ilorin Express Way, Kabba, Kogi State
GSM: 08036271094

299. Kogi State University Branch.
Kogi State University, Ayingba
P.M.B. 1015
GSM: 08039597699

300. Lokoja Branch.
411 Murtala Moh'd Rd, P.M.B. 1100, Lokoja
Tel: 058-220402, 220767
GSM: 08036120317, 08072539346

301. Lokoja Nipost Branch.
Ganaja Junction, Kabba-Okene Road,
P.M.B. 1100 Lokoja
GSM: 08033963453

302. Mopa Branch.
P.M.B. 2002, Mopa
GSM: 08055186092

303. Obajana Branch.
Obajana Cement Factory
GSM: 08067121286, 08055186092

304. Ogori Branch.
P.M.B. 1073, Ogori
GSM: 08076966048

305. Oguma Branch.
Oguma Road, P.M.B. 1004, Oguma
GSM: 08083540682

306. Okene Branch.
1 Ado Ibrahim Str/Hospital Road,
P.M.B. 1044, Okene
Tel: 058-550364
GSM: 08057327560, 08023157615

KWARA STATE

307. Ilorin Branch.
Obbo Road, Off Wahab, Folawiyo Road, P.M.B. 1354, Ilorin
Tel: 031-221500, 222011
GSM: 08076950072
Fax: 031-220128

308. Ilorin Sawmill Branch.
149 Lagos Road, Sawmill Area, Ilorin
GSM: 07093324991

309. Ilorin Surulere Branch.
159 Abdulazeez Atta Road,
Baboko Surulere, Ilorin
Tel: 031-229902-4
GSM: 08035844915

310. Kosubosu Branch.
P.M.B. 244, Bassa
GSM: 08059407179

311. Offa Branch.
64, Olofa Way, Offa
GSM: 08033578864, 08051131290

312. Omu-Aran Branch.
170A, Taiwo/Ekan Road,
P.M.B. 1071, Omu-aran
GSM: 08035812774, 08057879681

313. Oro Branch
20 Oyelagbawo Road, Oro
GSM: 08071839719

314. PPMC/NNPC Cash Centre.
Oke-Oyi, Kwara State
GSM: 08053623468

315. Share Branch
65, Olupako Way, Share
GSM: 07086558618

316. Unilorin Cash Centre
University of Ilorin Permanent Site

LAGOS STATE

317. Abattoir Cash Centre.
Lagos State Govt. Abattoir, Oko-Oba, Agege, Lagos State

318. Abibu Adetoro Branch.
5I Abibu Adetoro St, Off Ajose Adeogun St,
P.M.B. 80137, Victoria Island, Lagos
Tel: 01-7746337-8, 46124002
8140319
GSM: 08023214585
Fax: 01-4619230

319. Abibu-Oki Branch.
A.G. Leventis Building, 42/43 Marina,
P.M.B. 12554, Lagos
Tel: 01-7737749, 2643056
GSM: 08033019963
Fax: 01-2660302

320. Abule Egba Branch.
440, Lagos Abeokuta Expressway,
U-Turn Bus Stop, Abule Egba, Lagos State
Tel: 01-7618853, 7614542

321. Adeola Odeku Branch.
15B Adeola Odeku Street, Box 71918,
Victoria Island, Lagos, Lagos State
Tel: 01-4619056, 8977249
GSM: 08023283658
Fax: 461-9056

322. Adetokunbo Ademola Branch.
8, Adetokunbo Ademola Str, V/I, Lagos
Tel: 01-2704812-4, 7731264, 8703242
Fax: 270-4813

323. Agege Branch.
254, Agege Motor Rd, Oko-Oba, Agege, Lagos
Tel: 01-4926129, 4924389, 4921990

324. Agege Cash Centre.
27, Abeokuta, Motor Rd.,
P.O. Box 65, Agege

325. Agidingbi Branch.
6, Asabi Cole Road, Off Lateef Jakande Way, Agidingbi, Ikeja
Tel: 01-7739744, 7405435,
GSM: 08033521764
Fax: 01-5557837, 3450933

326. Ajah Branch.
Ajiwe, Ajah, Along Lekki-Epe Expressway, Lagos
Tel: 01-7203350, 7736858, 462-7777-9, 462-7780894-9220-1, 892-6298
GSM: 08033087110

327. Ajah Cash Centre.
Ajah Market, Eti Osa L.G.A, Lagos
Tel: 01-4618852, 461-6535, 461-8099, 461-0926-7
Fax: 01-461-8098
GSM: 08033073642

328. Ajao Estate Branch.
25 Murtala Mohammed International Airport Rd, Ajao Estate
Tel: 01-2714538, 2714539,
Fax: 01-2714540
GSM: 08023121935

329. Akowonjo Branch.
Akowonjo Road, Akowonjo,
Box 14767, Ikeja
Tel: 01-4705827, 4926440-2,
4926440, 4923785
Fax: 01-4926438

330. Alaba Int'l Market
Cash Centre. Densine Mall, Dobbil
Avenue, Alaba Int'l Market, Alaba,
Lagos

331. Alaba Int'l Market Branch.
29, Ojo–Igbede Rd. New Alaba, Lagos
Tel: 01-8043568, 7732669, 8776819,
5894468, 5894463, 8737758
Fax: 01-7732669, 5894467
GSM: 08023227238, 08023043772

332. Alaba Rago Mkt. Cash Centre.
Alaba Rago Market, Alaba Rago,
Lagos-Badagry Express Way
Tel: 01-8763971

333. Alausa Branch.
Motorways Building, Toll Gate,
Alausa, Lagos
Tel: 01-7618908, 4974009, 4934184,
01-7738886

334. Aliko Cement Terminal Cash Centre.
Aliko Dangote Cement Depot,
Abule Oshun, Via Satellite Town

335. Apapa Branch.
1 Burma Road, P.M.B. 1034 Apapa
Tel: 01-7745182, 7948874, 5851074,
5451345, 5877116, 4600076,
4600357, 3053106, 8506005,
5855490, 5455490
Fax: 01-5851733
GSM: 08022242191

336. Article Market Cash Centre.
Article Dealers Asso. (ADA), Shopping
Complex, Opp. Int'l Trade fair, Lagos-
Badagry Expressway, Abule Oshun,
Ojo

337. Awolowo Road Branch.
116 Awolowo Road, Ikoyi, Ikoyi-Lagos
Tel: 01-4630107-9, 2694310
Fax: 01-2695857
GSM: 08033043531

338. Badagry Branch.
113 Joseph Dosu Way, Old Lagos
Road, Badagry-Lagos
Tel: 01-8543655
GSM: 08023117218

339. Badore Branch
Oando Service Station by Coca Cola
Bus Stop, Ajah-Badore Road, Badore,
Off Ajah, Lekki, Lagos
GSM: 08056155602

340. Bariga Branch.
10, Jagunmolu Street, Bariga
Tel: 01-8752697, 8758637, 7655339

341. Broad Street Branch.
214 Broad Street, (Elephant House),
P.O. Box 2334, Lagos
Tel: 01-2643566, 2660620, 2643734,
2643735
GSM: 08023232978
Fax: 01-2664145

342. Chevron-Texaco Branch.
Along Chevron Drive, Chevron
Complex, Lekki, Lagos
Tel: 01-4616640-2
Fax: 01-4616640
GSM: 08033000113, 07028118099

343. Coker Branch.
Plot 4 Block C, Amuwo Odofin Ind.
Layout, Orile Iganmu, Lagos
Tel: 01-7745182, 7948874, 8135604,
5851074, 8705050
Fax: 01-5851733
GSM: 08033277210

344. Creek Road Branch.
32, Creek Road, Apapa, Lagos
Tel: 01-5876356, 7919294, 7905835,
2707820-22
Fax: 01-5876361
GSM: 08023124081, 8991700

345. Daleko Market Branch.
Daleko Market, Bank Road, Mushin,
Lagos
Tel: 01-4520234, 4521780, 7610819
Fax: 01-4520972
GSM: 08023196985

346. Domino Cash Centre.
1–11 Commercial Avenue, Sabo
Yaba, Lagos
GSM: 07028701436

347. Dopemu Branch.
Deebo Plaza, 618, Dopemu-
Akowonjo Road, Dopemu
Roundabout, Dopemu, Lagos
Tel: 01-8133309-10

348. Ebute Metta Branch.
1 Savage Street, Apapa Road, P.M.B.
12014, Ebute Metta
Tel: 01-5837998, 5834477, 7745556
GSM: 08023044870

349. Eko Hotel Branch.
City Express building, Plot 1637,
Adetokunbo Ademola, Victoria Island
Tel: 01-8977347, 8946574, 2623164,
7749773
GSM: 08023013110

350. Enu-Owa Cash Centre.
62, Enu-Owa Street, Lagos

351. Epe Branch.
P.M.B 1022, Epe
Tel: 01-7770090, 7770102, 7770875,
7611147
GSM: 08023107390, 08054864468

352. Falomo S/Centre Branch.
Awolowo Road, Ikoyi, P.M.B 1022,
Ikoyi
Tel: 01-2695506, 2693029, 463-0563
Fax: 01-804-7921, 0761-6335
GSM: 08022233103, 8770173

353. Fed. Secretariat Branch.
Federal Secretariat Complex Ikoyi,
P.M.B. 12736, Lagos
Tel: 01-8949220-1, 8926298,
773-2667
Fax: 01-269-5984
GSM: 08033043531

354. Festac Branch.
32 Road, Festac Town, Lagos
Tel: 01-5895496-9, 8511130-1,
7235637
Fax: 01-2790403
GSM: 08023062133

355. Iddo Market Branch.
1, Taylor Road, Iddo
Tel: 01-7642059, 7636659
GSM: 08023196985, 08023102744,
08035637852

356. Idimu Branch.
205, Idimu Road, Yem-Kem Shopping
Plaza, Agege, Lagos State
Tel: 01-4744464, 8135603, 8235607

357. Ifako Gbagada Branch
45 Diya Street, Opposite Total Filling
Station, Ifako, Gbagada
GSM: 08023222293, 07029321918

358. Iganmu Branch.
2 Abebe Village Road, P.M.B. 126734,
Iganmu
Tel: 01-7745557, 2830410
Fax: 01-2830410
GSM: 08023232976

359. Ijora Branch.
23-25 Ijora Crossway, P.O. Box 228
Apapa
Tel: 01-8160545, 7738884-9,
8168545, 8162280, 8965081,
8047328, 8160545
Fax: 01-5454772
GSM: 08033209323, 08082719402

360. Iju Branch.
159 Iju Road by Fagba B/Stop, Iju
Agege
Tel: 01-2120764, 7402369

361. Ikeja Allen Avenue Branch.
58 Allen Avenue, P.M.B. 21087, Ikeja
Tel: 01-4970510, 7612054, 7746024,
01-4747044

362. Ikeja Branch.
P.O. Box 69, Ikeja
Tel: 01-901740-4, 4977862-3
Fax: 01-901744
GSM: 08079635004

363. Ikeja Ind. Estate Branch.
21, Oba Akran Avenue, PO Box 105, Ikeja
Tel: 01-4978541, 4968609, 8905307, 8776016, 2716660, 2716662
Fax: 01-4978501, 4968610

364. Ikeja Military Cantonment Agency.
Ikeja Military Cantonment, 9th Mechanised Brigade, Maryland, Ikeja
c/o Ikeja Branch, P. O. Box 69, Ikeja
GSM: 08023011822

365. Ikorodu Branch.
88 Lagos Road, P.M.B. 1005, Ikorodu
Tel: 01-7781360-2, 7748382, 7745062
Fax: 01-7745662

366. Ikota Branch.
Ikota Int'l Market. Ikota Shopping Complex, Victoria Garden City,
P.O. Box 52717, Falomo
Tel: 01-4618099, 4616535, 4617047, 4616535, 4610927
Fax: 461-8098
GSM: 08033017731

367. Ikotun Branch.
39, Ikotun-Idimu Rd, Ikotun
Tel: 01-8161220

368. Ilupeju Branch.
Ilupeju By-Pass, P.M.B. 1173, Ikeja
Tel: 01-7733151, 4979414, 4933617, 4930478, 4930692-3

369. International Trade Fair Complex Branch.
Wing B, Hall 2, Hexagon 9, Int'l Trade Fair Complex, Badagry Express Road, Box 6238 Festac Town, Lagos
Tel: 01-7642928, 8505382, 4704437, 3208374, 3053254, 8512643, 5894175
Fax: 01-3455644, 3455330
GSM: 08023224619, 8708889, 7642928

370. Int'l Trade Fair Complex II (Balogun) Cash Centre.
NIICO Best Executive Plaza, Opp. Atiku Hall,
In'tl Trade Fair Complex, Mile 2-Badagry Expressway, Lagos
Tel: 01-7918350; 7918351

371. Investment House Branch.
21–25 Broad Street, Lagos
Tel: 01-2640469, 7932756
GSM: 08038445812, 08026439882

372. IPMAN Cash Centre.
1–15 Dockyard Road, Apapa, Lagos
Tel: 01-7924721-2

373. Isolo Branch.
Apapa/Oshodi Express Way, Iyana Isolo, P.M.B. 1034, Mushin
Tel: 01-2790405, 8115503, 4520434, 4520087,4523662, 4520254, 2790401
Fax: 01-2790403
GSM: 08023227250

374. Isolo Industrial Estate Branch.
Limca Way, Ilasamaja, Off Apapa-Oshodi Express Way. Lagos State
Tel: 01-4528876, 7755331, 8195926
GSM: 07028141406, 08059731656, 08033217499
Fax: 01-4528877

375. Ita Elewa Ikorodu Branch
Ikorodu Shopping Complex, Ita Elewa
GSM: 08055903710

376. Iyana Ipaja Branch.
177 Lagos Abeokuta Express Rd., Iyana Ipaja, Lagos. P.O.Box 3040 Agege
Tel: 01-7737622, 7918348

377. Jibowu Branch.
10, Alakija Street, Jibowu, Yaba. Lagos
Tel: 01-7734815, 7734804

378. Kairo Market Cash Centre
Oshodi Road, Oshodi
Tel: 01-7360169
GSM: 08023116926, 07029269326.

379. Keffi Branch.
4, Keffi Street, Ikoyi, Lagos
Tel: 01-7732429; 2707173, 2714543-5
GSM: 08022233104

380. Ketu Branch.
561 Ikorodu Road, Mile 12, Ketu Lagos
P.M.B. 21468, Ikeja
Tel: 01-5965474-5, 7737622, 8542209, 7803655, 4932780, 01-2120626

381. Kofo Abayomi Branch.
43 Kofo Abayomi Avenue, Apapa
Tel: 01-5803717-9, 7171080-1, 8046034
GSM: 08022250101, 08077089570

382. Lapal House Branch.
235, Igbosere Road, Obalende, Lagos
Tel: 01-8923239, 8923269
GSM: 08023002913

383. Lawanson Branch.
59/61 Lawanson Road, Surulere, Lagos
Tel: 01-7389757,8198743
GSM: 08023076998

384. Lekki Branch.
Block 90°, Chris Efunyemi Onanuga Street, Off Admirality Way, Lekki Phase 1
Tel: 01-2793383-4, 2700951
GSM: 07028200618

385. Marina Branch.
35 Marina, P.O. Box 2006, Lagos
Tel: 01-2666120-4, 2669697, 7905835 Ext. 2278, 7651972
GSM: 08022242195, 08055154389

386. Matori Branch.
84/88 Ladipo Street, Papa Ajao, P.M.B. 1120, Mushin
Tel: 01-4520974-7, 4522163, 8765649
Fax: 01-4528383
GSM: 08023116047, 8765619

387. Mayfair Gardens Branch.
KM 36 Awoyaya, Lagos/Epe Expressway, Lekki Peninsula, Lagos

388. Mazamaza Branch.
8, Old Ojo Road, Mazamaza, Lagos
Tel: 01-9502026
GSM: 08023134560, 07029382513

389. M.M. Int'l Airport Branch.
M.M Airport Complex, P.O. Box 4508 Ikeja
Tel: 01-4979421, 8144653, 7653946 4961641, 8159783, 2705349, 08-8773644
Fax: 01-4979422, 4961638

390. M.M. Way Branch.
128 Murtala Moh'd Way, P.O. Box 1021, Ebute-Metta
Tel: 01-5821719, 7737621, 8532121, 2803158
GSM: 08020557644

391. Mobil Road Branch.
21 Mobil Road, P.M.B. 1180, Apapa
Tel: 01-4600357, 4716361-2, 7407923
Fax: 01-5454335
GSM: 08023329034

392. Moloney Branch.
28 Berkley Street, Lagos.
P.O. Box 2099, Lagos
Tel: 01-2645801, 8990500, 7641824, 2635238, 2635758
GSM: 08023125466
Fax: 01-2645801

393. Mushin Branch.
197 Agege Motor Road, Lagos
Tel: 01-8744789, 7242483
GSM: 08034009025

394. N.1.J. House Branch.
5 Adeyemo Alakija Street, Victoria Island,
P.M.B. 50, Falomo
Tel: 01-4619053-4, 2619312
Fax: 01-2616484
GSM: 08023043033, 08033814164

395. Navy Town Branch.
B.M.U Complex (Road 8), Navy Town, c/o P.M.B. 008, Festac Town
Tel: 01-5883897, 5890225, 4705913, 7233350, 8046034, 8134640, 8134644, 3053211, 8049927, 2803211
GSM: 08023133307, 07028028708

396. Niger House Branch.
1/5 Odunlami Street, P.M.B. 12883, Lagos
Tel: 01-2665781, 7911779, 2662606
GSM: 08023171593

397. Oba Akran Branch,
46, Oba Akran Avenue, Ikeja
Tel: 01-4960320-1, 4960303-4, 2700951, 7740485
GSM: 08033270974

398. Obun-Eko Branch.
126 N. Azikiwe Street,
P. O. Box 2353, Lagos
Tel: 01-2663261, 2643659, 4791019
GSM: 08023010332
Fax: 01-2663109

399. Odun Ade Cash Centre.
Shop 1&2, First Floor, Block 2, Agric, Odun Ade, Coker
Tel: 01-8777734

400. Ogba Branch.
Plot 7, Block C, Acme Road, P.M.B. 21441, Ikeja
Tel: 01-4920980, 4926375, 7938779

401. Ogudu Agency
Banking on Wheels Van, Opposite Area H, Ogudu Area Command, Ogudu
GSM: 08023213967.

402. Ojo Cantonment Agency.
Ojo Military Cantonment, Ojo, Lagos-Badagry Exp. Road, c/o P.M.B. 12674, Lagos
Tel: 01-5888880

403. Ojodu-Isheri Branch.
2, Ojodu-Isheri Road, Ojodu Berger, Ikeja, Lagos
Tel: 01-3453614, 4925313, 4924383, 7612911

404. Ojuwoye Cash Centre.
7, Dada Iyalode Str.
Off Post Office Road, Mushin, Lagos
Tel: 01-7918306

405. Oke-Arin Market Branch.
53 Offin Road, Lagos
Tel: 01-2641516, 2641761, 7908909, 2643870
GSM: 08022233359
Fax: 01-2643871

406. Oke-Odo Branch.
415, Abeokuta Expressway, Ile-Epo Bus Stop, Lagos. P.O.Box 2828 Agege, Lagos
Tel: 01-8135643, 7918307, 4925464, 4920086
Fax: 01-4925690

407. Okota Branch.
3, Ago Palace Way, Okota, Lagos
Tel: 01-7948712-3

408. Oniru Market Branch.
Lagos/Epe Expressway, Lekki Peninsula, Lagos
GSM: 08023042781, 08024728118

409. Opebi Branch.
Adebola House, 40, Opebi Road, Off Allen Avenue, Ikeja-Lagos
Tel: 01-2716706, 3450320-2, 7918352-3

410. Oregun Ind. Estate Branch.
Plot 2B Adewunmi Close, P.M.B. 21444, Ikeja
Tel: 01-4935439, 8705129, 4970410, 4934875

411. Osapa London Branch.
Kilometer 7, Lekki-Epe Expressway, Osapa-London, Lekki
Tel: 7317600
GSM: 08023294717, 07028200618

412. Oshodi Branch.
471 Agege Motors Road, Oshodi
Tel: 01-7948714-5

413. Oshodi Cantonment Agency.
c/o Ilupeju Branch, P.M.B. 1173, Ikeja, Lagos

414. Oshodi-Mile 2 Expressway Branch.
Plot 104 Oshodi Mile 2 Expressway, Near Cele Bus-stop, Lagos
Tel: 01-2816182, 8112185, 8049281

415. Owode Branch.
Ibeshe Road, P.M.B. 231, Ikorodu
Tel: 01-7745560, 01-4930536
Fax: 01-4930536

416. Progressive Market Branch.
Association of Progressive Traders Plaza
Tel: 01-7395827, 7395835

417. Sanusi Fafunwa Branch
Plot 1681, Sanusi Fafunwa Street, Victoria Island, Lagos
Tel: 01-8103764
GSM: 07098013642

418. Saudi Eko Branch.
Lagoon Plaza by Lagos Central Mosque, Nnamdi Azikiwe Str, Lagos Island
Tel: 01-7388210

419. Seme Border Branch.
Nigeria Customs Ground, Seme Border
GSM: 08023305011, 07084855196

420. Shell Agency Branch.
Shell Petroleum & Dev. Company, Freeman House, G.P.O. 2006 Marina.
Tel: 01-2601600-9
Fax: 01-2636681

421. Shomolu Branch.
188, Ikorodu Road, Onipanu, P. O. Box 04, Shomolu
Tel: 01-7745763, 5550643

422. Snake Island Cash Centre
NigerDock Premises
Tel: 08023102671, 07029549058

423. Stock Exchange House Branch.
Customs Street, P. O. Box 7685, Lagos
Tel: 01-2661685, 2661696, 2668195, 8132809, 2661701
GSM: 08024495126
Fax: 01-2661701

424. Sura Cash Centre.
Block 13 Sura Shopping Centre, Simpson Street, Lagos
GSM: 08050583366

425. Surulere Aguda Branch.
42/44 Enitan Street, Surulere, Lagos
Tel: 01-7615858
GSM: 08023035537

426. Surulere Branch.
17 Itire Road, P. O. Box 273, Surulere
Tel: 01-7745558, 7746164, 7924722, 5848733, 5831110, 7746134
GSM: 08036340443

427. Surulere S/Centre Branch.
84 Adeniran Ogunsanya St, c/o P. O. Box 273, Surulere
Tel: 01-5850831, 7945559, 8118117, 7745559
GSM: 08023233061

428. Tejuosho Branch.
No. 29 Tejuosho Street, Yaba
Tel: 01-7360452, 7360453, 7360454

429. Tin Can Island Branch.
Tin Can Island Port Complex, Off Apapa/Oshodi Express Road, P.M.B. 1019, Apapa
Tel: 01-5454459, 7931166, 7930899, 5871307, 5873096
GSM: 08055414150, 08023024488

430. Toyin Olowu Branch.
14A, Olowu Street, Off Toyin Street, Ikeja, Lagos
Tel: 01-8987988, 8987993, 4938089, 8773443, 7388789
Fax: 01-4938092

431. Trinity Branch.
Olodi-Apapa, No. 1, Industrial Road, By Trinity Police Station, Olodi Apapa, Lagos
Tel: 01-8112183-4, 5858731-9
Fax: 01-5458739
GSM: 08023328542

432. Western House Branch.
8/10 Broad Street, P. O. Box 2135, Lagos
Tel: 01-2716457, 2636642, 2634930, 2636499, 7608186, 7257762
GSM: 08073767303
Fax: 01-2636642

433. Willoughby Branch.
9A Willoughby Street, Ebute Metta
Tel: 01-8536747, 7303615, 7303657, 7303658, 7303659
GSM: 08033385084

434. Yaba Branch.
322 Herbert. Macaulay Str, P.M.B. 1040, Yaba
Tel: 01-7745561, 2789861, 5862176, 5455273-5
Fax: 01-5455272

NASARAWA STATE

435. Keffi Nasarawa Branch
Abubakar Burga Road, Keffi Town, Nasarawa State
GSM: 08055640091, 07083280628
Tel: 081-36063314

436. Lafia Branch.
No. 5 Jos Road, P.M.B. 5, Lafia
Tel: 047-220229, 221289, 221721, 221423, 221287, 220283
GSM: 08082788282, 08035997891
Fax: 047-220283, 220229, 221721, 221423

NIGER STATE

437. Badeggi Rice Mill Branch
KM 20 Bida Abuja Road, Badeggi, c/o P.M.B. 48 Bida, Niger State
GSM: 07067579006

438. Bida Branch.
Zungeru Road, P. O. Box 48, Bida
Tel/Fax: 066-461640, 461540

439. FCE Kontagora Cash Centre.
Federal College of Education, Kontagora
GSM: 08036935715, 08037039576

440. Kagara Branch.
P.M.B. 1, Kagara
GSM: 08075337505

441. Katcha Branch.
c/o Postal Agency, Katcha
GSM: 08036012189, 08084357326, 08069319833

442. Kontagora Branch.
P.M.B. 06, Kontagora
Tel: 067-220018, 220272

443. Kuta Branch.
P. O. Box 5, Kuta
Tel: 066-690444

444. Minna Branch.
3 Bank Road. P.M.B. 62, Minna
Tel: 066-221070, 223804
GSM: 08057979226, 08023043763
Fax: 066-221652, 222185, 222968

445. Rijau Branch.
Zuru Road, P.M.B. 2116, Rijau
Tel: 067-31441

446. Suleja Branch.
Minna Road, P.M.B. 23, Suleja
Tel: 09-8501513, 8500087, 8501288
Fax: 09-8500280

447. Suleja S/Centre Agency.
IBB Modern Market, P.M.B. 23, Suleja
Tel: 09-8500061

OGUN STATE

448. Abeokuta Branch.
95 Obafemi Awolowo Rd, P.M.B. 2003, Abeokuta
Tel: 039-245812, 240154, 240952
Fax: 039-241285

449. Abeokuta II Branch.
Onikolobo Road, Abeokuta
Tel: 039-764057, 976457
GSM: 08052408250

450. Agbara Ind. Estate Branch.
Ilaro Street, P.M.B. 012, Agbara
Tel: 01-7745552, 7712041-3, 7757212
GSM: 08023051490

451. Babcock Cash Centre.
Babcock University, Ilishan-Remo
GSM: 08023107364

452. Ewekoro Branch.
KM 37 Lagos Abeokuta Expressway, Ewekoro
GSM: 08023158078, 08078435107, 08023076911

453. Igbogila Branch.
P.M.B. 2015, Abeokuta
Tel: 01-7901332
GSM: 08069147697

454. Ijebu-Ode Branch.
26 Ibadan Road, P.M.B 2141, Ijebu-Ode
Tel: 037-431378, 434534, 433613, 432382, 037-776103

455. Mosinmi Branch.
NNPC/PPMC Complex, Km 17, Ikorodu Sagamu Road
Mosinmi. c/o Sagamu Branch
Tel: 01-8933430
GSM: 08023227249

456. Ogbere Branch.
Old Benin Road, P.M.B. 1005, Ogbere
Tel: 037-432031
GSM: 08054343169

457. Olabisi Onabanjo University Cash Centre
Olabisi Onabanjo University Main Campus
GSM: 08055257593.

458. OPIC Cattle Cash Centre.
Oluwanishola Cattle Market, OPIC Estate, Isheri

459. Ota Branch.
Lagos/Abeokuta, Expressway, P.M.B. 1036, Ota
Tel: 01-7738834, 039-722457, 722242
GSM: 08065206390

460. Ota II Branch.
241, Idiroko Road, Ota, Ogun State.
Tel: 01-7614543, 7618854
GSM: 08037156569

461. Shagamu Branch.
Akarigbo Street, P.M.B. 2008, Sagamu
Tel: 037-432559, 640701, 776955
GSM: 07027983178
Fax: 037-640331

ONDO STATE

462. Akure Main Branch.
1 Alagbaka Road, P.M.B. 707, Akure.
Tel: 034-231960-1, 243390, 244020, 230228, 240686
GSM: 07030903767

463. Akure Market Branch.
Oba Adesida Street, P.M.B. 629, Akure
Tel: 034-242403, 240243, 243758
GSM: 08033589155

464. Akure Oke Aro Branch.
121A, Idanre Road, Akure
GSM: 08032224688

465. Araromi-Obu Branch.
1 College Road, Aloba, P.M.B. 505 Araromi-Obu
GSM: 08034415140, 08034672100

466. Idoani Branch.
1 Olutoye Street, P.M.B. 203, Idoani
Tel: 051-53024
GSM: 08033508855, 08079864873

467. Igbokoda Branch.
Opposite Forward Naval Base, 30 Broad Street, Igbokoda, P.M.B. 339, Igbokoda
GSM: 08035690656

468. Ikaram-Akoko Branch.
Oyagi Street, P. O. Box 001, Ikaram-Akoko
GSM: 08089528410

469. Ikare Branch.
L21 Ilepa Street, P.M.B. 275, Ikare
Tel: 050-670730, 670445
GSM: 08024625882

470. Ile-Oluji Branch.
1 Old Motor Park, P.M.B. 704, Ile-Oluji
GSM: 08033508855

471. Oka-Akoko Branch.
6 Ikese Quarters, P.M.B. 07,Oka-Akoko
GSM: 08035813032

472. Ondo Branch.
Agbogbo-Oke Road, Yaba, Ondo, P.M.B. 550, Ondo
Tel: 034-610313, 610800
Fax: 034-244838
GSM: 08033781082

473. Ore Branch.
1 Market Road, Sabo Quarters, P.O. Box 55, Ore, Odigbo L.G.A.
GSM: 08056431907, 08023284305

474. Owo Branch.
Idimisasa Street, P.M.B. 1012, Owo L.G.A.
Tel: 051-241423, 241174, 240074
Fax: 051-241006
GSM: 08066915585

OSUN STATE

475. Ede Branch.
117 Station Road, P.M.B. 217, Ede, Osun State
Tel: 035-360175, 360105, 360565, 360138
GSM: 08033619218

476. Erin Osun Branch.
Council Road, Erin-Osun, P.M.B. 5001, Erin-Osun
GSM: 08033955767

477. Ijebu-Jesa Branch.
A59 Oja Street, P.M.B. 1003, Ijebu-Jesa
GSM: 08034720026

478. Ikire Branch
5 Ode Adie Road, Oja Ale Area, Ikire, Osun State
GSM: 08033823557, 08074356970

479. Ile-Ife Branch.
27 Lagere Layout, P.M.B. 5534, Ile-Ife
Tel: 036-233464-5, 230416
Fax: 036-231248
GSM: 08033177361

480. Ilesa Branch.
Ereja Street, P.M.B. 5016, Ilesa
Tel: 036-460355, 460631
GSM: 08023159015

481. Inisa Branch.
Market Square, P.M.B. 2007, Inisa
Tel: 035-670189
GSM: 08054105583

482. Ipetu-Ijesa Branch.
Palace Square, Oke-Oja. P.M.B. 2003, Ipetu-Ijesa
GSM: 08059374305

483. Iseyin Branch.
10/12 Oremoje Area, Saki Rd, P.M.B. 2020 Iseyin
GSM: 08052171639, 07055339236

484. Obafemi Awolowo University Branch.
Road 1, Obafemi Awolowo University, Ile Ife, P.M.B. 40 OAU Post Office, Ile-Ife
Tel: 035-209909
GSM: 07098809672, 07098809671, 08034726422, 07027957855

485. Ode Omu Cash Centre
Gbongan-Oshogbo Road, Ode Omu, Osun State
GSM\: 08068097627

486. Oshogbo Gbongan Branch.
Old Coca Cola Gbodofan Road, Osogbo,
Osun State
Tel: 036-202281
GSM: 08034720026, 08030822240

487. Oshogbo Okefia Branch.
11, Alekuwodo Road, Okefia, Osogbo
Tel: 035-214882, 035-214883

488. Osogbo Branch.
152 Station Road, P.M.B. 301, Osogbo
Tel: 035-230135, 234449, 241355, 243135
GSM: 08033823557

OYO STATE

489. Awe Branch.
Ife-Odan Road, P.M.B. 1017, Awe
Tel: 038-230663, 240663
GSM: 08033955309, 08083004134

490. Ibadan Agodi Branch.
Oyo State Secretariat, P.M.B. 5153, Ibadan
Tel: 02-2412981, 8102981, 8107061, 8101231, 8103924, 8102931
GSM: 08057317712

491. Ibadan Amunigun Branch.
Amunigun Street, P.M.B. 5120, Ibadan
Tel: 02-2413616, 2411653
Fax: 02-2411579
GSM: 08025369870

492. Ibadan, Apata Branch.
SW9/960, Apata Ganga, P.M.B. 5386 Ibadan
Tel: 02-2319937, 2313402
Fax: 02-2310237

493. Ibadan Bank Road Branch.
Bank Road, P.M.B. 5111, Ibadan
Tel: 02-2413156, 2413042, 2412995, 7514229
Fax: 02-2413659

494. Ibadan, Bodija Market Branch.
23, Bodija Mkt., Iso Pako Rd., Opposite Police Station, P.M.B. 38, U.I Post Office, Ibadan
Tel: 02-8108070, 7512932
GSM: 08022232003, 08057600278

495. Ibadan Bola Ige-Business Complex Branch (formerly Gbagi Market Branch), Shop D 30, C/O Bank Road Branch, P.M.B. 5111, Ibadan
Tel: 02-7524885, 8108431
GSM: 08023158591

496. Ibadan I.I.T.A Agency.
C/O Ibadan (Main) Branch, P.M.B. 5111, Ibadan
Tel: 02-2413765, 2411521, 2412995

497. Ibadan Mokola Branch.
3 Queen Elizabeth Road, Mokola Roundabout
P.M.B. 5040 Dugbe Ibadan
Tel: 02-4806537, 8721398

498. Ibadan Iwo Road Branch.
59, Iwo Road, Ibadan
Tel: 02-8104385, 713680-1
GSM: 08034239611

499. Ibadan Molete Branch.
48 Molete/Challenge Rd, Ibadan, P.M.B. 086, Mapo, Ibadan
Tel: 02-2319784, 2319906
GSM: 08055217677

500. Ibadan Oke Ado Branch.
203 Obafemi Awolowo Way, Oke Ado, Ibadan
Tel: 02-8735384
GSM: 08034660388

501. Ibadan Oluyole Estate Branch.
7, Town Planning Way, Oluyole Industrial Estate,
P.M.B. 5181, Ibadan
Tel: 02-2316586
GSM: 08023158258

502. Ibadan Orita Challenge Branch.
Old Lagos Road, P.M.B. 5125, Ibadan
Tel: 02-2311047, 2317376
Fax: 02-2314462
GSM: 08023158989

503. Ibadan Polytechnic Branch
Sango/Polytechnic Road, Beside Polytechnic South Campus Gate, Ibadan
GSM: 08023158258, 07029912400

504. Ibadan U.I Branch.
P.M.B. 128, U.I. Post Office
Tel: 02-8103902, 7517186, 7517195, 8103902
GSM: 08023158312, 08023157375, 08023157541

505. New Bodija Ibadan Branch
1 Barakat Shopping Complex, UI – Secretariat Road, Ibadan
GSM: 07028186811, 08023158783

506. Ogbomoso Branch.
Akinwale Str, Tackie Square, P.M.B. 3591, Ogbomoso
Tel: 038-710801, 710089, 720089
GSM: 07027361159
Fax: 038-721479

507. Okeho Branch.
Ijo Quarters, Near Okeho Town Hall, Okeho
GSM: 08053243806

508. Oko Branch.
Osogbo Road, P.M.B. 4008, Ejigbo
GSM: 08055335129, 08023157542

509. Olorunsogo Akaran Branch.
Sawia, Olorunsogo Akanran Road, Off Lagos-Iwo Road, Expressway, Ibadan
GSM: 08052032237, 08023611662

510. Oyo Branch.
Asogo Street, P.M.B. 1002, Oyo
Tel: 038-230437, 230108, 240108
GSM: 08023283654

511. Oyo II Branch.
Owode Junction, along Ibadan-Ogbomosho Road, Owode, Oyo Town
Phone: 028775232

512. Saki Branch.
Sango Road, Ajegunle, Saki
Tel: 038-900015
GSM: 08055000855, 08033704412, 08056515346

513. University College Hospital (UCH) Branch.
Opposite Water Treatment Plant
University College Hospital
GSM: 08055994901, 07029811091

PLATEAU STATE

514. Amper Agency.
C/O Mangu Branch, P. O. Box 60, Mangu

515. Barkin-Ladi Branch.
Block 25 A&B, State Low Cost, P.M.B. 2007, Barkin-Ladi
Tel: 023-92002
GSM: 08036095958

516. Bassa Branch.
P. O. Box 1377, Bassa
Tel: 073-464829
GSM: 08034534309

517. Bukuru Branch.
31 Bukuru Road, P.M.B. 2002, Bukuru
Tel: 073-280807, 280273

518. Bukuru Police College Agency.
Police College Bukuru, P.M.B 02, Bukuru

519. Jos Gov. Sect. Branch.
c/o Govt. Secretariat, Jos
Tel: 073-464706, 464770, 464796
GSM: 08037030156

520. Jos Main Branch.
Bank Street, P.M.B. 2027, Jos
Tel: 073-452302, 452245, 452546, 459654, 452733
GSM: 08023015650
Fax: 073-452961

521. Jos Market Branch.
Market Road, P.M.B. 467, Jos
Tel: 073- 453933, 451194
GSM: 08034504497
Fax: 073-457629

522. Jos Unijos Branch.
2 Bauchi Road Campus. c/o P.M.B. 2027, Jos
Tel: 073-610592, 458556.
GSM: 08036002859

523. Katako Market Branch
78 Mallam Kure Street
GSM: 08061288112.

524. Kurgwi Branch.
c/o Lafia Branch, P.M.B. 5, Lafia
GSM: 08034869381

525. Mangu Branch.
P.O. Box 60, Mangu
GSM: 08036068496

RIVERS STATE

526. Bonny Branch.
2 New Road, Bonny
Tel: 084-270123, 270153
Fax: 084-270671, 270152
GSM: 08058522484, 08033905597

527. Bonny Hospital Road Branch.
24, Hospital Road, Bonny Island
Tel: 084-270136-8
Fax: 084-270153
GSM: 08033416164, 08054960892

528. Bonny NLNG Branch.
NLNG Residential Area, Bonny
Tel: 084-232900 Ext 493, 332150
Fax: 084-332110
GSM: 08053345173, 08023143065

529. Choba Branch.
206, Uniport Road, Choba, Port Harcourt
Tel: 084-897558, 895648
GSM: 08052360613, 08052360613

530. Onne Branch.
FLT Onne Road, Opposite Intels Camp (OGFZA)
P.M.B. 6197, Onne
Tel: 084-898211
GSM: 08033118685

531. Port Harcourt Agip Round About Branch
Plot 247 Ikwerre Road, Agip Round About
GSM: 08023450040

532. Port Harcourt Artillery Branch
258 Aba Road, Port Harcourt
Tel: 084-465686, 465690

533. Port Harcourt Diobu Branch.
33 Ikwerre Road, Diobu, P.O. Box 5007, Port Harcourt
Tel: 084-232266-9, 749923, 232766
GSM: 08023127017, 08035666660
Fax: 084-232268

534. PH Garrison Branch.
1, Agudama Ave, D Line, Port Harcourt
Tel: 084-23600-2, 486198, 443678, 463698
Fax: 084-236000
GSM: 08034545222, 08054476085

535. Port Harcourt Harbour Road Branch.
1, Harbour Road, P.M.B. 6197, Port Harcourt
Tel: 084-231786
Fax: 084-232207
GSM: 08023123083

536. Port Harcourt Main Branch.
22/24 Aba Road, Port Harcourt
Tel: 084-232407, 232644, 231789 232492, 232731, 234277, 465115, 232718
Fax: 084-233005
GSM: 08033240555

537. PH Olu Obasanjo Rd, Branch.
Plot 346, Olu Obasanjo Rd, PH.
P.M.B. 5405 Port Harcourt
Tel: 084-465468, 465098, 230251, 230253, 230262-3
Fax: 084-238529, 464226
GSM: 08033091190, 08023070060

538. Port Harcourt Oyigbo Branch
Location Road, Oyigbo
Tel: 084-802771, 802772

539. Port Harcourt Rumuokoro Branch
No. 4 East-West Road, Rumuokoro
P.M.B. 7099, Port Harcourt, Rivers State
Tel: 084-901666, 901667
GSM: 08036714131, 08023020406, 08023066558.

540. Port Harcourt Rumuokwurusi Branch.
315, P/H/Aba Road, (Izzi House),
P.M.B. 5736, Port Harcourt
Tel: 084-612383, 612663,
Fax: 084-612660
GSM: 08033091193

541. Port Harcourt Rumuola Branch.
77 Rumuola Road, Rumuola, Port-Harcourt
Tel: 084-464475
GSM: 08037050097, 08036726973

542. Port Harcourt Rumuomasi Branch.
Aba Road, P. O.Box 646, Port Harcourt
Tel: 084-332031, 489590, 232657
Fax: 084-331491, 463881
GSM: 08029990194

543. Port Harcourt Shell Branch.
Shell Complex, Port Harcourt
Tel: 084-421967, 422693
GSM: 08033384601

544. Port Harcourt Slaughter Road Branch
9 Trans Amadi Road, Oginigba, Port Harcourt
GSM: 08023127017, 08035666660

545. Port Harcourt Station Road Branch.
1 Station Road, Port Harcourt
P.M.B. 5007, Port Harcourt
Tel: 084-572852, 233597-8, 236732, 233600
Fax: 084-233598, 233597
GSM: 08027339732, 08037864838, 08033126780, 08024948832

546. Port Harcourt Trans-Amadi Branch.
Plot 745, Trans-Amadi Ind. Estate
P.M.B. 5865, Port Harcourt
Tel: 084-233780, 461275, 480952 231453
Fax: 084-461276
GSM: 08033039279

SOKOTO STATE

547. Gidan Madi Agency.
c/o Sokoto (Main) Branch, P.M.B. 2116, Sokoto

548. Illeila Branch.
Birnin Konni Road, c/o Sokoto (Main) Branch, P.M.B. 2116, Sokoto
GSM: 08069792596, 08054719820, 08065718623

549. Sokoto Dan Fodio Branch.
Abdullahi Fodio Road, P.M.B. 2116, Sokoto
Tel: 060-232130, 232967
Fax: 060-231978, 234369
GSM: 08033647662, 08065467063

550. Sokoto Main Branch.
Kano Road, P.M.B. 2160, Sokoto
Tel: 060-231251, 231235,232967 237483
GSM: 08065467063, 08033647662
Fax: 060-231978, 234369

551. Tambawal Branch.
Opposite Health Centre, P.M.B. 1082, Tambawal
Tel: 060-550378
GSM: 08022808781
Fax: 060-550378

TARABA STATE

552. Bambur Branch.
c/o Yola (Main) Branch, P.M.B. 2050, Yola

553. Jalingo Branch.
65 Barde Way, P.M.B. 1095, Jalingo
Tel: 079-222098, 223244
GSM: 08035920281

554. Karim Lamido Branch.
P.M.B. 4, Yola
GSM: 08033522312

555. Lau Branch.
P.M.B. 4, Lau

556. Mayo Ndaga Branch.
c/o Yola (Main) Branch, P.M.B. 2050, Yola

557. Zing Branch.
c/o Yola (Main), P.M.B. 2050, Yola
GSM: 08027730348, 08037403976, 08054491213, 07037770319

YOBE STATE

558. Damagun Agency.
c/o Damaturu Branch, Gashua Road, P.M.B. 1009, Damaturu
Tel: 076-522980
Fax: 076-522545

559. Damaturu Branch.
Gashua Road, P.M.B. 1009, Damaturu
Tel: 076-522980, 522545
Fax: 076-522543
GSM: 08023234970

560. Gashua Branch.
Opposite Market, P.M.B. 04, Gashua
Tel: 076-700563
GSM: 08065452330

561. Geidam Branch.
Commercial Area, P.M.B. 12, Nguru
GSM: 08069826277, 08029544737

562. Nguru Branch.
Ali Kahtan Road, P.M.B. 12, Nguru
Tel: 076-740255, 420485
GSM: 08037051976

563. Potiskum Branch.
Ibrahim Alkali Road, P.M.B. 46, Potiskum
Tel: 076- 420042
GSM: 08023272288, 08034390011

ZAMFARA STATE

564. Anka Branch.
Daki Takwas Road, P.M.B. 1003, Anka
Tel: 063-36139, 200243, 203202
GSM: 08065547393, 08025905651
Fax: 063-202261

565. Bakura Branch.
Opposite Bakura Central Mosque, Bakura, Zamfara State
GSM: 08075337080, 08069224522

566. Gummi Branch.
Opposite L.G.A. Secretariat, P.M.B. 02, Gummi
Tel: 063-73163, 73168
GSM: 08034725916, 08020005328

567. Gusau Branch.
Canteen Area, P.M.B. 1019, Gusau
Tel: 063-200243, 203202, 202102
Fax: 063-202261
GSM: 08036067470, 08023158358

568. Kaura Namoda Branch.
Gusau Road, P.M.B. 1002, K/Namoda
Tel: 063-60173
GSM: 08065240725, 08082381842

569. Talata Mafara Branch.
Along Sokoto Gusau Road, Talata Mafara
GSM: 08067234644

570. Shinkafi Branch.
Isa/Gusau Road, P.M.B. 02, Shinkafi
GSM: 08082385781

SHAREHOLDER INFORMATION

STRONG GROWTH PROSPECTS

SHAREHOLDER INFORMATION

Our actions must result in a consistent return of sterling performance in dividends and growth of shareholder value.

www.firstbanknigeria.com/annualreport/dec2009/

Shareholder Information

GLOBAL DEPOSITARY RECEIPTS PROGRAMME

The domestic custody business in Nigeria is still developing, hence our determined focus on activities that will provide depth, understanding and awareness for the market while providing clients with superior service. The FirstBank Global Depositary Receipts (GDR) of about 7.7 million units created at inception, with each unit being represented by 50 units of FirstBank shares (nominal value) continued to be cancelled and converted by investors during the financial year. The GDR currently stands at about 348,000 units.

The Central Bank of Nigeria has authorised the introduction of a reverse GDR programme to the market. This programme, which allows ordinary shares to be converted into GDRs and the associated Capital Importation Certificate (CCI) to be marked up, is intended to reflate the depleting volumes of GDRs available in the market.

SHARE STATISTICS

	2008	2009
Market indicators		
NSE All Share Index	31,446.96	20,827.17
Share statistics		
Share price		
High for the year ₦	54.86	21.31
Low for the year ₦	14.85	11.74
Closing ₦	18.09	14.05
Shares traded		
Number of shares (million)	7,195	5,419
Value of shares (₦million)	98,025	130,152

Source: Bloomberg

SHAREHOLDER STRUCTURE AS AT 31 DECEMBER 2009

CLASS	NUMBER OF HOLDERS	HOLDINGS	HOLDINGS (%)
Federal Government	37	41,476,918	0.14
State Government	169	198,142,016	0.68
Institutional Nigerian ownership	19,893	10,207,382,632	35.19
Retail Nigerian holdings	1,283,932	18,520,317,063	63.86
Foreign	1,723	38,978,577	0.13
	1,305,754	29,006,297,206	100

DIVIDEND HISTORY

S/N	DIV. TYPE	YEAR END	DATE DECLARED	TOTAL DIV. AMT. (₦)	DIV. PER SHARE	NET DIV. AMT. UNCLAIMED	% NET DIV. AMT. UNCLAIMED
42	Final	31/03/1998	19/08/1999	1,625,897,206.00	1.00	34,216,852.50	2.10
43	Final	31/03/1999	31/07/2000	2,032,371,507.50	1.25	50,034,916.61	2.46
44	Final	31/03/2000	30/07/2001	2,113,785,913.20	1.30	77,592,345.94	3.67
45	Final	31/03/2001	05/08/2002	2,640,065,847.90	1.30	85,135,496.65	3.22
46	Final	31/03/2002	04/08/2003	3,811,263,675.00	1.50	100,498,274.91	2.64
47	Final	31/03/2003	23/08/2004	5,513,901,111.80	1.55	194,040,085.37	3.52
48	Final	31/03/2004	29/08/2005	6,403,122,540.00	1.60	245,532,050.60	3.83
49	Final	31/03/2005	28/08/2006	5,239,237,558.00	1.00	267,478,582.86	5.11
50	Final	31/03/2006	09/03/2007	10,479,845,385.00	1.00	873,485,340.35	8.33
51	Final	31/03/2007	24/08/2008	21,481,234,960.68	1.20	1,882,075,464.12	8.76
52	Final	31/03/2009	24/08/2009	30,207,986,658.90	1.35	6,735,678,280.96	22.3

FINANCIAL CALENDAR

EVENTS	DATE
Publication of 9 months to December 09 results	20 April
Publication of Q1 2010 results	21 April
AGM	27 May
Publications of Q2 results	20 July
Publications of Q3 results	3 November

SHARE CAPITALISATION HISTORY

YEAR	AUTHORISED ₦ Increase	Cumulative	ISSUED (₦) Increase	Cumulative	NO. OF SHARES	CONSIDERATION
31 Dec 1973	-	10,000,000	-	9,700,000	9,700,000	Cash
10 Jun 1975	5,000,000	15,000,000	1,940,000	11,640,000	11,640,000	Bonus
27 Jul 1976	-	15,000,000	2,328,000	13,968,000	13,968,000	Bonus
28 Jul 1977	10,000,000	25,000,000	6,984,000	20,952,000	20,952,000	Bonus
27 Jul 1978	5,000,000	30,000,000	8,381,000	29,333,000	29,333,000	Bonus
28 Dec 1978	10,000,000	40,000,000	-	29,333,000	29,333,000	-
26 Jul 1979	10,000,000	50,000,000	14,666,200	43,999,200	43,999,200	Bonus
26 Jul 1980	20,000,000	70,000,000	2,315,747	46,314,947	46,314,947	-
24 Jul 1980	-	70,000,000	9,262,990	55,577,937	55,577,937	Bonus
29 Apr 1981	-	70,000,000	5,557,792	61,135,729	61,135,729	Bonus
29 Apr 1982	50,000,000	150,000,000	-	61,135,729	61,135,729	-
16 Apr 1986	-	150,000,000	6,113,574	67,249,303	67,249,303	Bonus
9 Apr 1987	-	150,000,000	13,449,862	80,699,165	80,699,165	Bonus
8 Apr 1988	-	150,000,000	-	80,699,165	80,699,165	-
27 Apr 1989	-	150,000,000	-	80,699,165	161,398,330	Stock split from ₦1.00 to 50 kobo
26 Apr 1990	-	150,000,000	-	80,699,165	161,398,330	-
26 Apr 1991	-	150,000,000	-	80,699,165	161,398,330	-
27 Apr 1992	-	150,000,000	-	80,699,165	161,398,330	-
29 Apr 1993	-	150,000,000	26,899,721	107,598,886	215,197,772	Bonus
28 Apr 1994	150,000,000	300,000,000	107,598,882	215,197,768	430,395,536	Bonus
25 Apr 1995	-	300,000,000	53,799,441	268,997,209	537,994,418	Bonus
25 Apr 1996	-	300,000,000	67,249,301	336,246,510	672,493,020	Bonus
22 May 1997	700,000,000	1,000,000,000	1,000,000,000	436,246,510	872,493,020	Cash
22 May 1997	-	1,000,000,000	84,061,627	520,308,137	1,040,616,274	Bonus
23 Jul 1998	-	1,000,000,000	130,077,034	650,385,171	1,300,770,342	Bonus
27 Jul 2000	-	1,000,000,000	162,596,292	812,981,463	1,625,962,926	Bonus
26 Jul 2001	2,000,000,000	3,000,000,000	203,245,365	1,016,226,828	2,032,453,656	Bonus
31 Jul 2002	-	3,000,000,000	254,056,705	1,270,283,533	2,540,567,066	Bonus
31 Jul 2003	-	3,000,000,000	254,056,705	1,524,340,238	3,048,680,476	Bonus
19 Nov 2003	-	3,000,000,000	254,056,705	1,778,396,943	3,556,793,886	Cash
19 Aug 2004	-	3,000,000,000	222,299,589	2,000,696,532	4,001,393,063	Bonus
20 Jun 2005	-	3,000,000,000	500,174,160	2,500,870,692	5,001,741,383	Bonus
3 Jan 2006	-	-	20,009,495	2,520,880,187	5,041,760,373	FBN Plc shares issued in exchange for minority shares in FBN merchant bankers
3 Jan 2006	-	-	64,196,005	2,585,076,192	5,170,152,383	FBN Plc shares issued in exchange for MBC shares
3 Jan 2006	-	-	34,258,503	2,619,334,694	5,238,669,388	FBN Plc shares issued to majority shareholders in FBN merchant bank arising from the consolidation
24 Aug 2006	7,000,000,000	10,000,000,000	2,619,334,694	5,238,669,388	10,477,338,776	Increase/Bonus
22 Aug 2007	-	-	873,111,565	6,111,780,953	12,223,561,906	Bonus
1 Jul 2007	-	-	3,833,235,233	9,945,016,186	19,890,032,371	2007 hybrid offer
22 Aug 2008	5,000,000,000	15,000,000,000	2,486,254,046	12,431,270,232	24,862,540,463	Bonus
20 Aug 2009	-	15,000,000,000	2,487,000,000	4,143,756,743	29,006,297,206	Bonus (1 for 6)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 41st Annual General Meeting of members of FIRST BANK OF NIGERIA PLC will be held at the Congress Hall, Transcorp Hilton, No 1, Aguiyi Ironsi Street, Maitama, Abuja on Thursday 27 May 2010 at 11.00 a.m. to transact the following:

Ordinary Business:

1. To receive the audited accounts for the nine months ended 31 December 2009 together with the reports of the Directors, Auditors and Audit Committee thereon;
2. To approve dividend;
3. To elect Directors;
4. To approve the remuneration of Directors;
5. To authorise the Directors to fix the remuneration of the Joint Auditors; and
6. To elect members of the Audit Committee.

Special Business:

To consider, and if thought fit, pass the following as Special Resolutions:

7. "That the authorised share capital of the Company be and is hereby increased from ₦15,000,000,000 to ₦25,000,000,000 by the addition thereto of the sum of ₦10,000,000,000 divided into 20,000,000,000 ordinary shares of 50 kobo each ranking in all respects pari-passu with the existing shares of the Company."
8. "That the Memorandum of Association of the Company be and is hereby amended by deleting the words 'The authorised share capital of the Company is ₦15,000,000,000 divided into 30,000,000,000 ordinary shares of 50 kobo each' and substituting therefore the following words "The authorised share capital of the Company is ₦25,000,000,000 divided into 50,000,000,000 ordinary shares of 50 kobo each."
9. "That pursuant to Article 47 of the Articles of Association of the Company, the Directors having so recommended, it is desirable to capitalise the sum of ₦1,812,893,575 from the balance of General Reserve and accordingly that such sum be set free for distribution amongst the members on the Register of Members at the close of business on Friday 30 April 2010, on condition that the same be not paid in cash but applied in paying up in full at par 3,625,787,151 of the unissued ordinary shares of 50 kobo each to be allotted, distributed and credited as fully paid-up to and amongst such members in the proportion of one new ordinary share for every eight ordinary shares held by them on that day, and such new shares shall rank for all purposes pari-passu with the existing issued ordinary shares of the Company, the shares so distributed being treated for all purposes as capital and not as income, and these new shares shall not qualify for payment of dividend in respect of the 2009 accounts, and the Directors shall give effect to this resolution on receipt of the necessary permission from the authorities."
10. "That the Company be and is hereby authorised to accept a US$50 million Convertible Loan facility from the International Finance Corporation ("IFC") on such terms and conditions as may be approved by the Directors."
11. "That in the event of IFC exercising its conversion rights, the Board of Directors be and are hereby authorised to convert the convertible loan amount into ordinary shares of the Company at the agreed conversion price and to allot such shares to IFC."

Proxy

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to attend and vote in his stead. A Proxy need not also be a member. A proxy form is at the end of the financial statements. All instruments of proxy should be duly stamped at the Stamp Duties Office and deposited at the registered Office of the Company or the Office of the Registrar, Plot 2, Abebe Village Road, Iganmu, Lagos not later than 48 hours before the time for holding the meeting.

Dividend Warrants

If the dividend recommended by the Directors is approved by members at the Annual General Meeting, the dividend warrants will be posted on 31 May 2010 to members whose names appear in the Register of members at the close of business on Friday 30 April 2010.

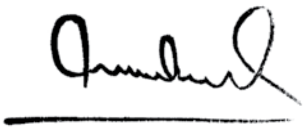
Closure of Register of Members

The Register of Members and Transfer Books of the Company will be closed from 3 to 7 May, 2010 (both dates inclusive) for the purpose of payment of dividend.

Note

Any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Secretary of the Company at least 21 days before the Annual General Meeting.

BY ORDER OF THE BOARD



Tijjani M Borodo
Company Secretary
35 Marina, Lagos
Dated this 31st day of March 2010

Borodo, Tijjani Mohammed
Company Secretary

Proxy Form

FIRST BANK OF NIGERIA PLC (RC 6290)

41st ANNUAL GENERAL MEETING TO BE HELD at the Congress Hall, Transcorp Hilton, No.1, Aguyi Ironsi Street, Maitama, Abuja on Thursday 27 May 2010 at 11.00 am.

"I/We*...

(Name of Shareholder in block letters)

the undersigned, being a member/members of the above-named

Company hereby appoint the Chairman of the meeting or failing him

.... as my/our Proxy to vote

for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 27 May 2010 and at any adjournment thereof."

Unless otherwise instructed, the Proxy will vote or abstain from voting as he/she thinks fit.

Dated this .... day of.. 2010.

Signature ....

NOTES:

1. This form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarial certified copy thereof must reach the Registrar, FIRST REGISTRARS NIGERIA LIMITED, PLOT 2, ABEBE VILLAGE ROAD, IGANMU, LAGOS, not later than 48 hours before the time for holding the meeting.
2. Where the appointor is a corporation, this form may be under seal or under the hand of any officer or attorney duly authorised.
3. This proxy will be used only in the event of poll being directed, or demanded.
4. In the case of joint holders, the signature of any one of them will suffice, but the names of all joint holders should be shown.
5. It is a legal requirement that all instruments of proxy must bear appropriate stamp duty (currently 500.00) from the Stamp Duties Office, and not adhesive postage stamps.

I/We desire this proxy to be used in favour of/or against the resolution as indicated below.

RESOLUTION	FOR	AGAINST
1) To receive the audited accounts, Directors, Auditors and Audit Committee Reports		
2) To approve dividend		
3) To elect Directors		
4) To approve the remuneration of Directors		
5) To authorise the Directors to fix the remuneration of the Joint Auditors		
6) To elect members of the Audit Committee		
7) To increase the share capital		
8) To amend the MEMART		
9) To approve bonus issue		
10) To approve the USD 50 million IFC Convertible Loan		
11) To approve conversions rights		

Please indicate with "X" in the appropriate box how you wish your vote to be cast on the resolutions set out above. Unless otherwise instructed, the Proxy will vote or abstain from voting at his/her discretion.

Before posting the above form please tear off this part and retain it for admission to the meeting.

ADMISSION FORM

FIRST BANK OF NIGERIA PLC (RC 6290)

41st ANNUAL GENERAL MEETING TO BE HELD at the Congress Hall, Transcorp Hilton, No.1 Aguyi Ironsi Street, Maitama, Abuja on Thursday 27 May 2010 at 11.00 am.

Name of Shareholder* ....

Name of Proxy* ....

IF YOU ARE UNABLE TO ATTEND THE MEETING

A member (shareholder) entitled to attend and vote is entitled to appoint one or more Proxies to attend and vote instead of him. A Proxy need not be a member. The above proxy form has been prepared to enable you to exercise your right to vote.

IMPORTANT

Please insert your name in BLOCK CAPITALS on both proxy and admission forms where asterisked. Insert the name of any person whether a member of the Company or not, with the exception of the Chairman of the Company, who will attend the meeting and vote on your behalf.

E-Dividend
(First Bank of Nigeria Plc)

First Registrars

To:
The Registrar,
First Registrars Nigeria Limited,
Plot 2, Abebe Village Road,
Iganmu, P.M.B. 12692,
Marina, Lagos,
Nigeria

Important! The form should be completed in CAPITAL LETTERS using a black or dark blue ballpoint/fountain pen. Characters and numbers should be similar in style to the following:

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z 0 1 2 3 4 5

Please fill in the form and return to the address above.

Surname ....

First Name ....

Other Names ....

Address ....

....

....

....

....

Mobile Phone ....

Email ....

Shareholder's Signature

(1)..

Second signature for joint/company account

(2)..

Company's Authorised Signatures/Seal ....

Bank Account Details

Bank Name ....

Bank Branch Address ....

....

Bank Account Number ....

Branch Sort Code (very important) ....

Bank's Authorised Signatures & Stamp ....

Website: www.firstregistrarsnigeria.com Email: info@firstregistrarsnigeria.com

CSCS Account Notification (First Bank of Nigeria Plc)

First Registrars

To:
The Registrar,
First Registrars Nigeria Limited,
Plot 2, Abebe Village Road,
Iganmu, P.M.B. 12692,
Marina, Lagos,
Nigeria

Please credit my account at Central Securities Clearing Systems Limited (CSCS) with all subsequent allotments and bonuses due to me from holdings in the companies as stated below.

Important! The form should be completed in CAPITAL LETTERS using a black or dark blue ballpoint/fountain pen. Characters and numbers should be similar in style to the following:

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z 0 1 2 3 4 5

Please fill in the form and return to the address above.

Surname ....

First Name ....

Other Names ....

Address ....

....

....

Mobile Phone ....

Email ....

Corporate Seal/Stamp (for Corporate Shareholders)

(1)...

(2)...

Shareholder's Signature

(1)...

(2)...

CSCS Details

Stockbroker ....

Clearing House Number: **C**...

Authorised Signature & Stamp of Stockbroker

Please attach a copy of your CSCS statement to this form as evidence that a CSCS account has been opened for you.

Website: www.firstregistrarsnigeria.com Email: info@firstregistrarsnigeria.com

Shareholder Online Access Registration Form (First Bank of Nigeria Plc)

To:
The Registrar,
First Registrars Nigeria Limited,
Plot 2, Abebe Village Road,
Iganmu, P.M.B. 12692,
Marina, Lagos,
Nigeria

Important! The form should be completed in CAPITAL LETTERS using a black or dark blue ballpoint/fountain pen. Characters and numbers should be similar in style to the following:

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z 0 1 2 3 4 5

Please fill in the form and return to the address above.

Surname ....

First Name ....

Other Names ....

Address ....

....

....

....

Mobile Phone ....

Email ....

Signature ....

2nd Signature (for joint account or company) ....

Note

Username and password will be sent to your email account soon.

Website: www.firstregistrarsnigeria.com Email: info@firstregistrarsnigeria.com

E-Share Notifier Subscription Form (First Bank of Nigeria Plc)

First Registrars

To:
The Registrar,
First Registrars Nigeria Limited,
Plot 2, Abebe Village Road,
Iganmu, P.M.B. 12692,
Marina, Lagos,
Nigeria

Important! The form should be completed in CAPITAL LETTERS using a black or dark blue ballpoint/fountain pen. Characters and numbers should be similar in style to the following:

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z 0 1 2 3 4 5

Please fill in the form and return to the address above.

Surname ....

First Name ....

Other Names ....

Address ....

....

....

....

Mobile Phone ....

Email ....

Signature ....

2nd Signature (for joint account or company) ....

Activation Fee

Individual: ₦1,000 P/A
Corporate Bodies: ₦2,000 P/A
Stockbrokers: ₦5,000 P/A

Note

All payments should be made to Account No. 1912030017374 in any First Bank branch nationwide and a copy of the payment slip attached to this form upon submission.

Website: www.firstregistrarsnigeria.com Email: info@firstregistrarsnigeria.com

Stockbroker E-Lodgement Activation Form (First Bank of Nigeria Plc)

To:
The Registrar,
First Registrars Nigeria Limited,
Plot 2, Abebe Village Road,
Iganmu, P.M.B. 12692,
Marina, Lagos,
Nigeria

FOR STOCKBROKERS ONLY

Important! The form should be completed in CAPITAL LETTERS using a black or dark blue ballpoint/fountain pen. Characters and numbers should be similar in style to the following:

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z 0 1 2 3 4 5

Please fill in the form and return to the address above.

Name of Stockbroker ....

Address ....

....

....

....

Mobile Phone ....

Email ....

Authorised Signatory/Seal ....

Note

This service costs ₦25,000 per annum and all cheques should be made payable to **The Registrar, First Registrars Nigeria Limited**, Account No. 1912030017374

Notes

Notes

Glossary of Ratios

RATIO		BASIS OF COMPUTATION
Average cost of deposits (i)	=	$\frac{\text{Interest expense}}{\text{Average deposit (i.e. opening + closing balance)/2}}$
Basic earnings per share	=	$\frac{\text{Profit attributable to ordinary shareholders (after deduction of debenture interest and tax)}}{\text{Weighted average no of shares in issue}}$
Cost to income ratio (1)	=	$\frac{\text{Total cost (interest expense, operating cost before loan loss expense)}}{\text{Gross earning}}$
Cost to income ratio (2)	=	$\frac{\text{Total overhead cost (operating cost including loan loss expense)}}{\text{Total net revenue}}$
Cost of interest bearing liabilities	=	$\frac{\text{Interest expense}}{\text{Average interest bearing liabilities (opening + closing balances)/2}}$
Cost of risk	=	$\frac{\text{Loan loss expense}}{\text{Average loans}}$
Gross loans	=	Aggregate loan position
Leverage ratio	=	$\frac{\text{Total debt capital}}{\text{Total shareholders' fund}} \times 100$
Liquidity ratio	=	$\frac{\text{Liquid assets}}{\text{Deposit liabilities (as prescribed by the CBN)}}$
Loan to deposit ratio	=	$\frac{\text{Total loans}}{\text{Total deposit}}$
Marginal cost of fund	=	$\frac{\text{Increase in interest expense during the month}}{\text{Increase in average deposits during the same month (annualised)}}$
Net interest margin (1)	=	$\frac{\text{Net interest income}}{\text{Average interest-earning assets (i.e. Opening + Closing)}}$
Net interest margin (2)	=	$\frac{\text{Net interest income}}{\text{Total interest income}}$
Net loans	=	Gross loans - loan loss provision
Net revenue from funds	=	Interest income - (interest expense + loan expense)
NPL ratio	=	$\frac{\text{Non-performing loans}}{\text{Gross loans}}$
Operating profit	=	Profit before taxation (PBT)
Operating profit margin	=	$\frac{\text{Operating profit}}{\text{Gross earnings}}$
Provisioning level	=	$\frac{\text{Total provision}}{\text{Total NPL}}$
Return on average assets	=	$\frac{\text{PAT}}{\text{Total assets}}$
Return on equity	=	$\frac{\text{PAT}}{\text{Shareholder's fund}} \times 100$
Risk asset ratio	=	$\frac{\text{Total loans}}{\text{Total assets}}$
Risk-weighted assets	=	Assets x weight of risks
Tier 1 ratio	=	$\frac{\text{Total tier 1 capital}}{\text{Risk weighted assets}} \times 100$
Tier 2 ratio	=	$\frac{\text{Total tier 2 capital}}{\text{Risk weighted assets}} \times 100$
Total capital adequacy ratio (ii)	=	$\frac{\text{Total qualifying capital}}{\text{Risk weighted assets}} \times 100$
Yield on interest earning assets	=	$\frac{\text{Interest income}}{\text{Average interest earning assets}}$

(i) For internal computation, period average is used.
(ii) Risk asset is computed using risk weights supplied by CBN/Basle. See risk asset ratio above.

Glossary of Ratios cont'd

TOTAL QUALIFYING CAPITAL

Total qualifying capital is tier 1 capital less goodwill, other intangible assets and deferred losses, plus tier 2 capital less investments in unconsolidated subsidiaries and associates.

Tier 1 capital

Ordinary shares

Share premium

General reserves

Reserve for small scale industries

Other reserves

Retained profit and loss

Audited profit approved by CBN

Tier 2 capital

Fixed asset revaluation reserves

Forex revaluation reserves

General provisions

Minority interest

Hybrid capital instrument

Preference shares

Debenture stock

Abbreviations

ALCO	Assets & Liabilities Management Committee
ATM	Automated Teller Machine
BARAC	Board Audit and Risk Assessment Committee
BDO	Business Development Office
CAGR	Cumulative Annual Growth Rate
CAM	Classified Assets Management Dept
CAP	Credit Analysis & Processing Dept
CBN	Central Bank of Nigeria
CCO	Chief Compliance Officer
CON	Commander of the Order of the Niger
CPFA	Closed Pension Fund Administrator
CRM	Credit Risk Management
CRO	Chief Risk Officer
CSA	Children Savings Account
CSCS	Central Securities Clearing System
CSR	Corporate Social Responsibility
EAR	Earnings At Risk
ED	Executive Director
EPS	Electronic Payment System
EXCO	Executive Committee
FBN BDC	FBN Bureau de Change Ltd
FBN MB	FBN Microfinance Bank Ltd
FBN UK	FBN Bank (UK) Ltd
FCA	Fellow of the Institute of Chartered Accountants of Nigeria
FFL	First Funds Ltd
FGN	Federal Government of Nigeria
FIRS	Federal Inland Revenue Service
FRNL	First Registrars Nigeria Ltd
FSRCC	Financial Sector Regulatory Coordinating Committee
FSS	Financial Sector Strategy
FTNL	First Trustees Nigeria Ltd
GCFR	Grand Commander of the Order of the Federal Republic
GDR	Global Depository Receipt
ISMD	Information Security Management Department
KPI	Key Performance Indicator
KRI	Key Risk Indicator
LAD	Loans and Advances
LASACS	Large Scale Agricultural Credit Scheme
mbd	million barrels a day
MDAs	Ministries, Departments and Agencies
MFBs	Microfinance Banks
MFR	Member of the Order of the Federal Republic
mni	Member National Institute
MPA	Mortgage Plan Account
MPC	Monetary Policy Committee
MPR	Monetary Policy Rate
₦	Naira
NSE	Nigerian Stock Exchange
OFR	Officer of the Federal Republic
OPL	Open Position Limit
ORM	Operational Risk Management Division
OTC	Over The Counter
PAT	Profit After Tax
PFA	Pension Fund Administrator
POS	Point of Sale
RCSA	Risk Control Self Assessment
RDAS	Retail Dutch Auction System
RMD	Risk Management Directorate
RTGS	Real Time Gross Settlement System
SBU	Strategic Business Unit
SEC	Securities and Exchange Commission
SMEEIS	Small and Medium Enterprise Equity Investment Scheme
SMIEIS	Small and Medium Industries Equity Investment Scheme
SRF	Strategic Resource Function
TLP	Total Loan Portfolio
TSR	Total Shareholder Return
VAR	Value At Risk
WDAS	Wholesale Dutch Auction System

Contact details and feedback
Head, Investor Relations
Oluyemisi Lanre-Phillips
Email: investor.relations@firstbanknigeria.com
Ph: +234 1 9052720

Shareholder enquiries
Email: info@firstregistrarsnigeria.com
Ph: +234 1 773086
www.firstregistrarsnigeria.com

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